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## Sakharov Is Moved; Location Unknown, Family Sources Say

By Serge Schmemmann  
New York Times Service  
MOSCOW — Andrei D. Sakharov was removed from his Gorki apartment to an unknown destination on May 7, according to a telegram from his wife, Yelena G. Bonner, sources close to the family reported.  
The sources said Saturday that the telegram was sent last Wednesday to the children of the nuclear physicist and human rights campaigner.  
The sources were unable to give any further information, except that Mrs. Bonner said in her telegram that she did not know where her husband was. Mr. Sakharov was exiled to Gorki, a city 250 miles (400 kilometers) east of Moscow which is closed to foreigners, at the beginning of 1980.  
[In Paris, the leader of France's Communist Party, Georges Marchais, said Sunday that he had received a letter from the Soviet Union which said Mr. Sakharov was under medical care in a Gorki hospital, United Press International reported.]  
According to the last information received in Moscow before the telegram, Mr. Sakharov began a hunger strike on May 2 in demand that his wife be allowed to go abroad for medical treatment.  
That report came from Irina G. Krutik, a friend of the Sakharovs who managed to see them briefly on May 6. The telegram indicated that Mr. Sakharov was taken away



Smoke rises from the Saudi supertanker Al Ahoud on May 9 in the Gulf. The ship was first reported to have been attacked. Subsequent reports said that it had simply caught fire.

## Saudis Said to Consider Aerial Shield for Gulf; Iran-Bound Ship Is Sunk

By Don Oberdorfer  
Washington Post Service  
WASHINGTON — The next major development in the sharply escalating war in the Gulf could be the entry of the Saudi Arabian Air Force into battle against Iranian warplanes, according to Reagan administration and diplomatic sources.  
Saudi Air Force guidelines for responding to Iranian attacks on shipping in the Gulf are being changed, heightening chances for a clash between the two major petroleum exporters and increasing the danger to the global oil supply, the sources say.  
A Saudi decision to unleash its sophisticated U.S.-supplied air force to respond to Iranian air attacks is now reported to be an active option in Riyadh, the Saudi capital.  
U.S. and Middle East sources both said this development seemed more likely in the near future than the widely discussed possibility that the U.S. military forces might intervene at the request of Arab nations.  
Meanwhile, on Saturday, a freighter bound from Spain to Iran because the first to be sunk by the fighting in the Gulf.  
The sinking of the Panamanian-registered Fidelity bound from Spain to the Iranian port of Bandar Khomeini at the head of the Gulf was apparently the result of renewed Iraqi air attacks Friday.  
Whatever the next step in the war, the clashes of the past week already have brought the Iran-Iraq war to a new stage after three and a half years that Washington policymakers have feared since last summer. At that time, Iraq vowed to bring the war to a head by striking Iran's oil trade in the Gulf.  
Recently, for the first time, Iran has struck back, sending its jet fighters to attack the oil shipping of Iraq's neighbors and supporters, Saudi Arabia and Kuwait.  
"The events have followed the escalation path we have been living with for 10 months," said a State Department official. Like most other observers, the official forecast more damage, death and danger ahead, and little likelihood of a negotiated settlement as long as the current leaders remain in power in Tehran and Baghdad.  
In a slow-motion escalation, Iraq has moved step by step since early this year to attack Iranian and neutral shipping steadily closer to Kharg Island, the major Iranian oil loading port.  
On May 13 and 14, Iran finally responded, according to U.S. officials, by striking Kuwaiti oil tankers outside the area of previous hostilities. On Wednesday, Iranian warplanes attacked a Saudi supertanker about 30 miles (80 kilometers) from a Saudi port. Iran did not openly claim credit for any of these attacks.  
Acting on information from the Airborne Warning and Control System planes of the U.S. Air Force that have been stationed in Saudi Arabia since the early days of the Iran-Iraq war, the Saudi Air Force sent aloft some of its U.S.-made F-15 fighters, which are considered the most sophisticated interceptors in the world.  
The planes arrived too late to engage the Iranian attackers and, in any case, Saudi officials have said there was "no intention" under then-existing guidelines to attack the Iranian jets.  
These guidelines, according to information reaching Washington, are in the process of being changed. Instead of seeking to identify and warn Iranian aircraft, the chances are strong that the Saudi Air Force in the future will seek to shoot them down if they approach Saudi shipping close to Saudi territory, U.S. officials have been informed.  
Should Iran's future response escalate to attacks on oil field facilities or other targets on Saudi territory, as has been speculated on several occasions, there is a strong

## Chernenko Appeals for Discussions To Halt the Militarization of Space

United Press International  
MOSCOW — President Konstantin U. Chernenko has appealed for a halt to any attempts to militarize space.  
"The cosmos has become a symbol of grandiose achievements of science and technology," Mr. Chernenko said in a letter published Saturday by the Tass news agency. "However, there are those who would like to turn space into an arena of aggression and war."  
Mr. Chernenko said the Soviet Union stands ready "to make maximum efforts to prevent sinister plans for placing arms in space."  
He was alluding to President Ronald Reagan's announcement in March 1983 that the United States would study a system in space that would shoot down incoming ballistic missiles.  
The Soviet Union has appealed for talks on such weapons in the past. But the United States has indicated that such discussions should take place only within the context of missile talks that Moscow suspended after U.S. missile deployments last fall in Europe.  
[In Washington Sunday, Representative Dante B. Fascell of Florida, the Democratic chairman of the House Foreign Affairs Committee, said that the United States should suspend testing of the weapon and resume talks with Moscow. The Associated Press reported.]  
[Mr. Fascell, commenting on a series of hearings held by the House Foreign Affairs subcommittee on international security and scientific affairs, said such talks would help avoid the risk of "an irreversible arms race in space."  
He also said the Reagan proposals for defense against nuclear missiles is likely to prove "costly, technically unworkable and destabilizing."  
In the interview with Tass, Mr. Chernenko said that faced with a threat from space, "the Soviet Union will be compelled to take measures for ensuring its security reliably." He did not detail such measures.  
"Urgent steps are necessary before the increasing process of the militarization of outer space acquires an irreversible character," he said.  
Mr. Chernenko was replying to an initiative by two U.S. congressmen, Richard L. Garvin and Carl E. Sagan, who expressed concern recently about the militarization of outer space.  
Mr. Chernenko said a Soviet initiative to this effect in the United Nations had met with wide support.  
"There are no and cannot be any justifications for a refusal to start working out appropriate practical measures," Mr. Chernenko said. "What is required is to start official talks without any conditions or reservations with a view to reliably cutting off all channels of militarization of outer space."  
Mr. Chernenko's letter was published on the day that three Soviet cosmonauts marked 100 days aboard the Salyut-7 orbital space station.  
The ban on land sales was rejected by a vote of 875-549 to 837-754. Forty-two percent of eligible voters participated.  
The constitutional change in the banking referendum would have obliged banks to give information about customers' accounts to Swiss or foreign authorities investigating tax evasion or currency offenses.  
Banks at present maintain secrecy over flight capital, which is the movement of capital to escape economic uncertainty, since there are no limits on movements of currency under Swiss law. They keep their books closed in cases of tax evasion, too, though not if fraud is involved.  
The referendum also called for banks to publish their foreign debts and hidden reserves and would have curbed the extent to which they could buy into industry.  
Social Democrats proposed the measure after the 1977 "Chiasso affair," the biggest banking scandal in Swiss history. Credit Suisse, the third largest commercial bank, lost an estimated 1.4 billion Swiss



Bella and Igor Korchnoi, the wife and son of Viktor Korchnoi, the Soviet chess player who defected to the West in 1976, demonstrating in Bonn in support of the release of Andrei D. Sakharov and his wife, Yelena G. Bonner.

## U.S. Diplomat Knew Of Plans by Sakharovs

By Dusko Doder  
Washington Post Service  
MOSCOW — A senior U.S. diplomat says that the wife of Andrei D. Sakharov, the Soviet dissident, advised him by letter both that her husband was planning a hunger strike and that she had requested asylum in the U.S. Embassy in Moscow.  
The official, who asked not to be identified, repeated on Friday an embassy denial that the question of asylum had been discussed with the nuclear physicist's wife, Yelena G. Bonner.  
In a shrill attack on the couple, Tass news agency asserted two weeks ago that they were part of a plot involving U.S. diplomats in Moscow to mount an anti-Soviet campaign in the West.  
Tass said the alleged plot involved a hunger strike by Mr. Sakharov with Mrs. Bonner taking asylum in the U.S. Embassy. It said the "plan provided for exploiting Bonner's stay in the embassy to organize meetings with foreign correspondents" and ultimately for her to leave the Soviet Union under the "pretense" of ill health.  
The agency said three U.S. diplomats were involved in "this provocative operation."  
An embassy statement on May 4 described the allegations against the U.S. diplomats as "wholly unfounded" and asserted that "no discussion of embassy asylum has taken place with Mrs. Bonner."  
The U.S. official said Friday that an unspecified number of U.S. diplomats met with Mrs. Bonner on April 12, had a conversation with her outside her Moscow apartment building, and drove her to the railroad station in an embassy vehicle.  
According to this account, Mrs. Bonner left a draft letter addressed to Arthur A. Hartman, the U.S. ambassador, and another addressed to President Konstantin U. Chernenko, on the seat of the car. Mrs. Bonner was quoted as saying

## Swiss Reject Weakening Of Bank Secrecy Laws

Compiled by Our Staff From Dispatches  
GENEVA — Swiss voters on Sunday rejected by a 3-1 margin a Socialist proposal that would have substantially weakened banking secrecy laws.  
Voters also narrowly defeated a measure that would have stopped the sale of real estate to nonresident foreigners.  
The federal chancellery announced that the vote against the bank proposal was 1,257,914 to 464,764. In Zurich, Switzerland's banking capital, the vote was less overwhelming but still a clear-cut 2-1.  
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## Israeli Air Force Attacks Base in Eastern Lebanon

Compiled by Our Staff From Dispatches  
TEL AVIV — Israeli planes attacked a guerrilla base in eastern Lebanon on Saturday, the Israeli military command announced.  
The command said the pilots reported "precise hits" on several buildings that served as training bases and staging areas for attacks near the village of Janta.  
Janta is about two and a half miles (four kilometers) from the Syrian border in Lebanon's Syrian-occupied Bekaa Valley.  
It is also about six miles east of the Lebanese air base of Rayak and about 12 miles south of Baalbek, where Iranian Revolutionary Guards have a base.  
The announcement described the target as a "terrorist base" but did not say who was using it.  
In Beirut, the rightist Phalangist Voice of Lebanon radio station said the Israeli targets included a missile base equipped with Soviet-made SAM ground-to-air missiles. It said one man was killed in the raid.  
Palestinian guerrillas have some positions in the Bekaa Valley, but only the Syrians are thought to have missile bases.  
It was the first Israeli air strike in Lebanon since April 7, when planes hit Palestinian targets near the Beirut-Damascus highway in reprisal for a gun and grenade attack in Jerusalem that killed a Israeli civilian and wounded 47.  
(AP, Reuters)

## 4 Latin Leaders Issue Joint Appeal Over Debt

Compiled by Our Staff From Dispatches  
MEXICO CITY — Four Latin American governments that together owe \$333 billion to international creditors have demanded interest rate reductions to avoid being "forcibly thrown into insolvency."  
In a joint communiqué issued Saturday, the presidents of Argentina, Brazil, Colombia and Mexico called for an urgent meeting of all Latin American countries to resolve their debt repayment problems. It did not say if such a session is already scheduled.  
The statement, signed by presidents Raúl Alfonsín of Argentina, João Figueiredo of Brazil, Belisario Betancur of Colombia and Miguel de la Madrid of Mexico, was released simultaneously in Buenos Aires, Brasília, Bogotá and Mexico City.  
The presidents said they were concerned that "the democratic tendencies of the region and the economic security of our continent are seriously affected by factors alien and beyond the control of our governments."  
"We will not accept seeing ourselves forcibly thrown into insolvency and continued economic stagnation," the communiqué said.  
The leaders called for greater access to the markets of industrialized nations, new financing for development, longer periods to repay the debt and the reduction of interest rates.  
The presidents said increases in U.S. interest rates and the prospect of new rises "have created a gloomy

## U.S. Agents Track High-Tech Smugglers Along Shadowy Trail to Russia

By Joseph Fitchett  
International Herald Tribune  
WASHINGTON — In a shadowy new brand of international intrigue, Western customs agents, courts and spies are battling unscrupulous entrepreneurs who smuggle computers and other sophisticated civilian technology with military value to the Soviet Union.  
As the Reagan administration blocks transfer of the sensitive equipment directly from the United States, U.S. officials say that a loose network of shrewd middlemen in Western Europe and Asia specializes in procuring prohibited equipment for Soviet customers.  
U.S. officials say a recent attempt to divert state-of-the-art computers to the Soviet Union, masterminded by a Berlin-born businessman, is "the tip of the iceberg." U.S. officials have been willing to disclose details of the case in an effort to sensitize opinion to this new kind of crime.  
Posing as businessmen and appearing to buy for legitimate companies, these brokers "launder" the controlled technology by reselling it through a maze of phony companies in different countries.  
At the end of this disguised trail, U.S. officials say, the equipment slips into the Soviet Union, nominally for an industrial customer but in fact for the Soviet military.  
A veteran European operator in this high technology network is said by U.S. officials to be Richard Mueller, 42, a Berlin-born businessman. Although NATO has an embargo against military sales to the Soviet Union, the Mueller organization during the last decade is alleged to have exported American technological equipment and know-how worth millions of dollars to the Soviet military.  
Mr. Mueller and a half-dozen associates, U.S. officials say, have been linked to scores of cases in which U.S. equipment was sought by subterfuge for the Soviet Union. The sources say that at least 150 Soviet weapons systems contain U.S. technology.  
The sources say Soviet espionage services have relegated traditional intelligence-gathering to secondary priority behind a new task: acquiring U.S. technology, often through surrogate customers.  
Technology obtained through Mr. Mueller and other brokers like him is saving the Soviet military budget "hundreds of millions of dollars annually" in research-and-development costs, according to a CIA report commissioned by the Reagan administration.  
Richard N. Perle, an assistant secretary of defense and a hard-line crusader against technology leaks, says: "The Soviets save billions of dollars and at least five years in their research cycle, they tremendously reduce the development risk of new concepts and the costs of plant modernization, and they get a close working knowledge of U.S. components, giving them an opportunity to construct counter-measures."  
Western military budgets are driven up as NATO governments try to retain the technological lead that has traditionally compensated for the Warsaw Pact's quantitative edge. Soviet lag time is said to have been cut dramatically to only a few years in most weapons categories because of Western industrial losses through espionage and deals with shady business intermediaries, according to Pentagon officials.  
The Mueller case, a Pentagon official said, proves the scope of this kind of crime. Publicizing it, a U.S. official said, "helps make our allies aware of the threat and it dramatizes our security concerns right when Congress is debating new export regulations."  
The drive for tougher regulations on technology exports, spearheaded by the Pentagon and some security-conscious congressmen, has emerged as a major defense policy under the Reagan administration.  
However, it has set off vociferous opposition both by U.S. businesses that say that markets overseas are jeopardized and by allied countries that object to proposals in the draft Export Administration Act designed to control U.S. technology even after it has been imported by friendly countries.  
This debate over "extraterritoriality," which started with the Reagan administration's attempt to impose sanctions on European companies engaged in building the Siberian gas pipeline, has acquired new virulence as it becomes embedded in U.S. policy. Secretary of State George P. Shultz says it is severely straining the Western alliance.  
But hard-liners, such as Mr. Perle, argue for stronger U.S. controls because the Soviet Union, facing tighter security in the United States, concentrates on obtaining the critical "dual-use" U.S. technology through commercial channels in Europe and Asia.  
Accepting the hard-line view, President Ronald Reagan last month approved a major expansion of the Pentagon's trade-surveillance role. Formerly restricted to policing East-West trade, the Defense Department is now entitled to intervene in West-West trade in sensitive but not classified goods between the United States and friendly countries.  
The problem, U.S. officials say, is illustrated by the Mueller case, in which West Germany and Sweden last fall seized high-powered computers being smuggled to the Soviet Union.  
Hailed as a step forward in international police cooperation against technology diversion, U.S. officials now believe the customs sweep missed an even bigger Mueller shipment of computers that reached the Soviet Union via a different European route. This is an aspect of the case now under investigation.  
Many details about Mr. Mueller's ties to the Soviet Union remain obscure and he has not responded to requests for interviews made through his legal representatives in South Africa and West Germany.  
A man who knows a lot about him is Roger R. Urbanski, 44, chief of the Technology Investigation Section of the U.S. Customs Service. Mr. Urbanski has been trying to jail Mr. Mueller for a decade, since the two men started working on high

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Philippine police in Cebu thrash a demonstrator at one of the protests against alleged cheating in vote counting.

## Despite Losses, Marcos Sees New Mandate to Rule

By Steve Lohr

MANILA — President Ferdinand E. Marcos said Sunday that the big gains achieved by his opponents in last week's National Assembly elections did not reflect widespread dissatisfaction with his government, and he called on opposition leaders to help stop the violence during demonstrations against alleged cheating in the vote counting.

"I don't believe any of the government's basic policies are rejected by the people," he said. He added that "the administration has been given a new mandate to govern and to rule the country."

Mr. Marcos's comments on national television came shortly after government troops broke up a rally in the central Philippine capital of Cebu, where a few thousand demonstrators armed with firebombs and bricks were protesting the government's vote counting.

One person was killed and 27, including eight soldiers, were injured in the clash Saturday night.

Since the elections last Monday, there have been many charges of improper vote counting, mostly aimed at Mr. Marcos's ruling party, and emotional demonstrations in several cities throughout the country. But the one in Cebu was the most violent.

Mr. Marcos said that such clashes

"may blur the image of a free democracy that we have presented to the world, that we have been holding free, honest elections."

He said his ruling party did not tamper with the elections or vote counting.

The Cebu incident, he said, was instigated by opposition leaders to stop the vote canvassing because the ruling party was leading the race for six assembly seats in the region. But according to the National Citizens Movement for Free Elections, a group set up to monitor the vote, opposition candidates were ahead in five of six races.

Jose A. Rono, secretary-general of the New Society Movement, the ruling party, said that his party's

candidates would win about 110 of the 183 contested seats in the assembly. In addition, the ruling party could count on the support of 10 candidates running as independents, he said.

With more than 70 percent of the vote counted, Mr. Rono predicted that his numbers would be accurate within a range of three or four seats, taking account of a few "cliffhanger races."

As of Sunday evening, 107 winners had been officially declared, with 66 for the ruling party, compared with 41 for the opposition. In the remaining races, opponents of Mr. Marcos were leading in 41 races, while ruling party candidates were ahead in 35.

## Medical Tests on Reagan Are Normal, but Reveal Benign Intestinal Polyp

By Christine Russell and David Hoffman

Washington Post Service

WASHINGTON — A team of physicians examining President Ronald Reagan discovered a small growth in his large intestine and removed some of the growth for tests. The tests showed the growth was not cancerous.

After a physical examination Friday, doctors at the National Naval Medical Center in Bethesda, Maryland, pronounced Mr. Reagan, at 73 the oldest president in U.S. history, in "very exceptional physical condition." Captain Walter Karmay, the internist who headed the seven-member team, said the results of all the tests were "entirely normal."

Radiologists at Bethesda said that Mr. Reagan's "chest X-rays showed improvement since the last X-ray and no ill effects" from the gunshot wound he suffered in the attempt on his life in March 1981.

It was Mr. Reagan's first complete physical in two and a half years.

The White House delayed announcement of the results for several hours Friday while a biopsy was done on the polyp found in Mr. Reagan's colon.

Larry M. Speakes, the White House deputy press secretary, said there had been no decision whether to remove the rest of the growth, but added that there was "no urgency" and that the president would decide if and when it would be removed.

Mr. Speakes said polyps are a normal occurrence and that "a very large percent of Americans do have polyps in their intestinal tract."

Polyps, masses of tissue that can grow from the membrane in the large bowel, vary considerably in size and medical significance. They occur with greater frequency with age and are usually benign, but some forms are more likely to turn cancerous, particularly in cases of multiple polyps.

The incidence ranges from 7 to 50 percent of people, according to the Merck Manual, a medical reference book. Most growths do not generate symptoms and are found only during medical exams.

Mr. Reagan underwent several other tests, including an eye examination and an intravenous pyelogram, which is an X-ray exam of the kidneys and urinary tract. In addition, numerous preliminary tests were done at the White House in the past two weeks, including blood counts, stool examinations, blood and urine studies and an electrocardiogram exam. Mr. Speakes said none of the preliminary tests showed any sign of the polyp.

Mr. Reagan's blood pressure reading was 140 over 80 and his resting pulse 72 beats per minute, both considered in the normal range for his age. His serum cholesterol reading of 219, after fasting,

might be considered at the higher end of the normal range.

Mr. Speakes said that Mr. Reagan's hearing was not examined Friday. Last summer, Mr. Reagan began wearing a device to correct hearing loss in his right ear.

Mr. Speakes said there would be no restrictions on Mr. Reagan's campaigning for re-election. If re-elected, Mr. Reagan would turn 77 in his last year of office.

The average white male of Mr. Reagan's age can expect to live to the age of 82.7, according to the National Center for Health Statistics.

## Latin Leaders Ask Easier Debt Terms

(Continued from Page 1)

governments are usually charged interest rates above the prime.

Argentine officials estimated their \$43.6-billion debt would rise by at least \$200 million because of the interest rate rise.

If the prime rate maintains its current level for one year, the increases will cost Mexico an additional \$900 million in interest payments in 1984. Mexico will pay about \$14 billion in debt service this year.

Austerity conditions brought on by the burdensome debt obligations have given rise to unrest in Latin American nations, most recently in Brazil where supermarket have been looted for food.

The communiqué proposed "substantial and effective relief of the debt service burden" and the releasing of blocked credit funds for development projects.

"In particular, appropriate repayment schedules and grace periods are needed, along with reductions in interest rates, margins, commissions and other financial charges," the communiqué said.

The leaders also pointed to "the proliferation and intensity of protectionist measures" in industrialized nations — the largest potential markets for Latin American exports — as another factor limiting the prospects for economic recovery in the debtor countries.

Last March 31 the four nations and Venezuela put together a \$500 million package to help Argentina meet a repayment deadline with U.S. banks.

They pointed out then that they had taken joint action to meet their debt obligations, rather than to avoid them.

Mexico's foreign debt totals \$87 billion, the second highest in Latin America after Brazil's \$92 billion. Colombia owes about \$10 billion. Venezuela, Latin America's fourth largest debtor, owing about \$35 billion, did not sign the communiqué.

(UPI, Reuters)

## WORLD BRIEFS

### Ben Bella Seeks Political Comeback

GENEVA (AP) — Ahmed Ben Bella, the first president of Algeria after the country won its independence from France, was quoted Sunday as formally announcing he will try to make a political comeback two decades after he was overthrown in a coup d'état.

In an interview with the Geneva newspaper *La Suisse*, Mr. Ben Bella was quoted as saying that he will found a political party this month that will soon hold its first congress in Algeria with a provisional platform seeking a pluralist, democratic system of government.

Mr. Ben Bella, who was interviewed in Copenhagen, said the minimum objectives of the new Movement for Democracy in Algeria would be the creation of a democratic framework to discuss the future of the country. "We cannot continue to live much longer under a one-party system," he said, according to the newspaper. Mr. Ben Bella was overthrown in a military coup in 1965.

### Craxi Wins Vote on Limiting Wages

ROME (UPI) — Prime Minister Bettino Craxi's Socialist-led government has beaten back a challenge by the Communists over plans to limit automatic cost-of-living wage increases for industrial workers.

Mr. Craxi's victory Saturday came in a 341-195 vote of confidence in parliament that cut short Communist efforts to water down the government's economic measure with amendments.

The dispute centered on a government anti-inflation decree that would temporarily curb the system by which the wages of most Italian workers are linked to the cost of living. Mr. Craxi has been trying to get the decree approved by both houses of parliament since Feb. 15.

### Printers Strike West German Papers

STUTTGART (UPI) — Strikes curtailed newspaper publication Sunday, and publishers asked the printers union of targeting newspapers whose policies they dislike.

Axel Springer's *Welt am Sonntag* and *Bild am Sonntag*, the only two Sunday newspapers that circulate throughout West Germany, were able to print only limited press runs and small emergency editions. *Sonntag Aktuell*, Sunday supplement with a circulation of 586,000 that is published in Stuttgart, failed to appear.

Warning strikes by IG Druck, the printers union, against selected newspapers began May 1 to back a demand for a reduction of the workweek from 40 to 35 hours without loss of pay. Manfred Beltz Ruelmann, spokesman for the publishers association, said the union is choosing as targets newspapers whose editorial policies it opposes. "The union is acting as a censor in an unbearable way," he told the *Handelsblatt*, a daily financial newspaper.

### Genscher Arrives in Moscow for Talks

MOSCOW (AP) — Foreign Minister Hans-Dietrich Genscher of West Germany arrived here Sunday for a visit that may include a meeting with the Soviet president, Konstantin U. Chernenko.

The Tass news agency said Mr. Genscher was welcomed at the airport by his counterpart, Andrei A. Gromyko, with whom he has scheduled two rounds of talks.

Soviet authorities have released no details of the visit, but a West German Embassy spokesman said Mr. Genscher had requested a meeting with Mr. Chernenko on Tuesday. The Kremlin has not said whether the meeting will take place, the spokesman added.

### Hart Would Accept Jackson on Ticket

LOS ANGELES (AP) — Senator Gary Hart said Sunday that he would consider the Rev. Jesse L. Jackson as a vice presidential running mate, but only if Mr. Jackson were to substantially change his views on U.S. policies in the Middle East.

"I think he has earned the right to be considered as a party leader, including vice president," the Colorado senator said during an appearance on a local television news interview show. "I would consider him." Senator Hart said, however, that on the Middle East their differences were "fairly strong. Clearly to be a vice president you have to line up with the president's policies."

### Jackson Threatens Credentials Battle

LOS ANGELES (AP) — The Rev. Jesse L. Jackson said Saturday that he would hold demonstrations outside the Democratic National Convention in San Francisco this July and wage credentials battles inside the hall if party leaders do not award him his "fair share" of delegates.

It was Mr. Jackson's firmest indication yet that he would cause some kind of disruptive action at the party session to call attention to what he called "an exclusionary scheme" for selecting delegates. He has won 20 percent of the popular vote in the primaries but only about 7 percent of the delegates. He has about 290 delegates pledged to him and claims that number should be twice as large.

Mr. Jackson said he was running out of patience with the Democratic Party chairman, Charles T. Manatt, who thwarted his efforts in January to amend the delegate selection process. Mr. Jackson accused Mr. Manatt of ineffective leadership.

### British Labor Group Rebuffs Miners

LONDON (UPI) — As Britain's coal strike entered its eleventh week, striking miners faced a double setback Sunday with a snub from the labor union movement and news that coal production increased last week.

Les Murray, general secretary of the Trades Union Congress, the national organization that represents more than 100 labor unions, dissociated his organization from a one-day strike planned Monday in support of the miners. He said the organization's office in Yorkshire and Humberside had exceeded its powers by calling the strike and warned the Wales Trades Union Congress against a similar stoppage June 12.

Government figures show coal production went up last week. About 700,000 tons of coal were delivered to power stations last week, but they burned only 600,000 tons, according to official figures. About 21.8 million tons of coal are stockpiled at the pits and coal industry sources estimated Britain has adequate stocks to last into the winter. Work has stopped at about 135 of Britain's 175 state-run pits.

### Vatican, Poland Expected to Set Ties

ROME (UPI) — The Vatican and Poland will establish full diplomatic relations as soon as agreement can be reached on the fate of about 400 Polish political prisoners, Italian newspapers reported Sunday.

A draft concordat between church and state in Poland has also been drawn up and awaits only final signature, the reports in Rome's *Il Messaggero* and Milan's *Corriere della Sera* newspapers said.

Pope John Paul II met President Henryk Jablonski of Poland in a private audience Saturday and discussed church-state relations. A "declaration of principles" between the Polish government and the Polish episcopate has been drawn up together with a bill that would recognize the autonomy of the church and religious associations in Poland. *Il Messaggero* said.

### 4 Are Killed in IRA Attacks in Ulster

BELFAST (UPI) — Gunmen shot and wounded a soldier in an ambush Saturday, after shooting and bombing attacks by the Irish Republican Army left four persons dead.

The soldier, who was slightly wounded, was part of a six-man patrol that came under fire from a house in County Antrim, near the border with the Republic of Ireland. Troops surrounded the house, arrested one man and seized a quantity of weapons, the spokesman said. Authorities said they believe the IRA was behind the ambush.

On Friday, a bomb exploded at a fishing competition at Enniskillen, 78 miles (125 kilometers) west of Belfast, killing two soldiers. Earlier Friday, a policeman and a police reservist were killed when their car was destroyed by a mine near a lake in Armagh, five miles from the Irish border. The IRA claimed the attacks and said they marked the third anniversary of the death of Raymond McCreech, one of 10 IRA members or supporters who starved themselves to death in a 1981 jail protest.

### For the Record

Two Jewish dissidents from Soviet Latvia, Tatiana Zmushina and Alexander Balzer, were detained in a Moscow street Saturday as they were about to meet Western correspondents. Mrs. Zmushina, 27, was one of four women arrested in the Latvian capital of Riga in April when they staged a protest over the detention of Mr. Balzer and her husband, Zdzislaw Zmushina. (Reuters)

The American couple freed by Sri Lankan rebels after five days of captivity returned home to Cleveland Saturday to a reunion with family and friends. Stanley and Mary Allen were greeted at the airport with flowers and a specially decorated giant chocolate-chip cookie. (AP)

The presidency of the United Steelworkers union has officially been won by Lynn Williams, who defeated Frank McKee by more than 56,000 votes, union officials said in Pittsburgh Friday. Mr. Williams had served as temporary acting president since the previous president, Lloyd McBride, died in November. (UPI)

Thirty-four Lebanese refugees were expelled from Sweden on Saturday, and flown by chartered jet to Syria, police reported Sunday. The refugees had arrived earlier this month by ferry from East Germany. (AP)

## Israeli Jets Attack Base in Lebanon

(Continued from Page 1)

try. The New York Times reported Saturday from Beirut.

The contents of the statement will not be made public before Mr. Karami delivers it in Parliament and asks for a vote of confidence.

Walid Jumblat, the Druze leader, met Saturday with Fadi Frem, the commander of the Phalangist Lebanese Forces militia, in an attempt to end fighting in and around Beirut. Both were guests at a luncheon given by President Amin Gemayel.

Last September, Mr. Jumblat's forces won a clear military victory in the mountains southeast of Beirut after driving the Lebanese Forces out. The fighting followed the withdrawal of Israeli troops from the region.

Mr. Frem's troops control a large section of the Green Line dividing Beirut on the Christian side, while Druze and Moslem Shiite militia forces control the Moslem side.

The prime minister said all nine ministers in his cabinet endorsed the policy statement "in all points and principles." Earlier, he said the statement constituted a new national covenant "which will give Lebanon stability for years to come."

Political experts said the statement deals with political changes aimed at striking a balance between the Moslem and Christian groups in the legislative and executive branches of government.

### Assad on Israeli Pullout

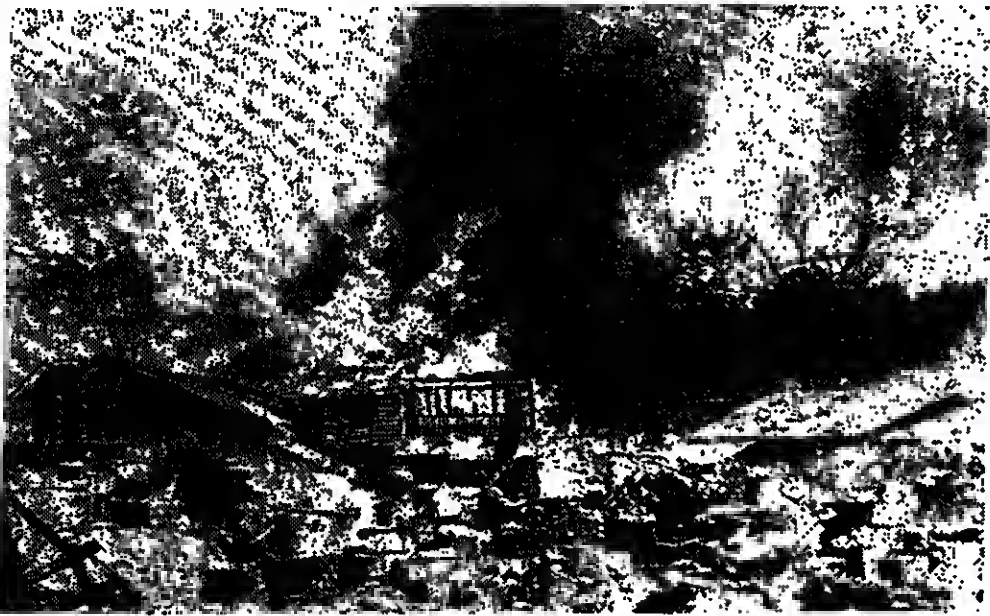
President Hafez al-Assad of Syria has said that he would be prepared for Lebanon to give Israel security guarantees for its northern border on the condition that Israeli troops leave Lebanon. The Associated Press reported from London. He said in an interview with The Observer published Sunday that he wanted Israel to leave Lebanon but believed that this was not possible unless Israel had security guarantees for its northern border.

Mr. Assad added: "Only the national government of Lebanon can give such guarantees. The Lebanese government has already announced it will take security measures to prevent infiltration or penetration across the border."

Mr. Assad said that Syria would approve such arrangements so long as these are measures taken by Lebanon's armed forces alone. There can be no Israeli forces on Lebanese soil."

### Cholera Cases in Bangladesh

THE ASSOCIATED PRESS  
DHAKA, Bangladesh — Cholera has killed 100 people and afflicted 400 other in Bangladesh's Netrakona district in the last two weeks, the newspaper New Nation reported Sunday.



Fires burn in Bhiwandi, a textile town near Bombay, following Hindu-Moslem rioting.

## Army Troops Called Out in Bombay As Hindu-Moslem Clashes Continue

Compiled by Our Staff From Dispatches

BOMBAY — Army troops were called out in Bombay Sunday to quell Hindu-Moslem rioting that has claimed at least 83 lives in four days.

The order came as mobs roamed the streets, setting fires, looting and throwing rocks. Earlier Sunday, police, ordered to shoot rioters and arsonists on sight, shot six persons to death and wounded five in the city's northeast Govandi section.

Prime Minister Indira Gandhi was set to tour the disturbed areas of Bombay and nearby Bhiwandi and Thana Monday.

Violence flared in Bombay despite a curfew from 8 P.M. to 5 A.M. in several areas.

"Our forces were getting tired and we needed more men. The situation is very tense," said a police spokesman.

At least 21 people have been killed in Bombay since the violence began Thursday in Bhiwandi, a textile center about 35 miles (56 kilometers) northeast of here.

At least 62 people have been killed in areas outside Bombay, including a family of 20 Moslems in Bhiwandi who were doused with kerosene and burned by a Hindu mob Saturday.

The army had already been called out in Bhiwandi and no violence was reported there Sunday.

More than 200 people have been injured and 1,200 arrested since the violence began. Relief camps are being set up for 7,000 people whose homes were burned.

The Press Trust of India news agency described the disorders as the worst recorded in Maharashtra. Officials said the clashes started when Moslems hoisted a green flag, representing the Moslem faith, outside the Bhiwandi office of a militant Hindu group called Shiv Sena.

Bhiwandi is home to both Moslems and Hindus, and it has a history of violence between them.

P.C. Sethi, minister of home affairs, said after a tour of Maharashtra that he would report directly to Mrs. Gandhi on the riots.

Fears of sectarian attacks clouded the start of two days of polling for 24 local by-elections in 14 of India's 22 states. Tight security was imposed in at least seven states as the first of 3.5 million people cast their votes, according to the Press Trust of India.

## Sakharov's Whereabouts Are Unknown, Family Says

(Continued from Page 1)

ment on behalf of the European Community expressing "strong concern" for the Sakharovs.

### Marchais Letter

Mr. Marchais, interviewed on the French Europe 1 radio station, quoted a letter he said he had received from the Soviet Union Saturday.

The army had already been called out in Bhiwandi and no violence was reported there Sunday.

More than 200 people have been injured and 1,200 arrested since the violence began. Relief camps are being set up for 7,000 people whose homes were burned.

The Press Trust of India news agency described the disorders as the worst recorded in Maharashtra. Officials said the clashes started when Moslems hoisted a green flag, representing the Moslem faith, outside the Bhiwandi office of a militant Hindu group called Shiv Sena.

The agency reported only one incident at polling stations, when supporters of Mrs. Gandhi and rival Communists stoned each other in Calcutta after one voter was injured in a bomb blast.

Indian newspapers have described the local state elections as an opinion poll for Mrs. Gandhi and her opponents. She must call general elections by January next year, when her term as prime minister expires.

(AP, Reuters)

## U.S. Diplomat Knew of Plan

(Continued from Page 1)

from Mr. Sakharov in which the physicist said he had become increasingly pessimistic that he could gain permission "by usual means" for his wife to go abroad for medical treatment. Mr. Sakharov said he thought he would probably have to start a hunger strike, "however horrible or monstrous it may sound."

The letter, dated Jan. 13, was sent to Jeremy J. Stone, director of the Federation of American Scientists, who has known Mr. Sakharov for several years and who played a role in persuading Soviet authorities to take steps that allowed Mr. Sakharov to call off two previous hunger strikes.

In a commentary entitled "DeGenerates and Their Supporters," *Izvestia* said: "Her basic aim was to escape to the West, even if it meant over her husband's dead body."

Western diplomats said the attack appeared to be part of a strategy to switch attention away from the Nobel Peace Prize laureate to his wife in the hope that Western leaders would be less interested in speaking out on her behalf.

## Reagan's China Visit Makes Taiwan Uneasy

By Michael Weisskopf

Washington Post Service

TAIPEI — Taiwan has been jolted by President Ronald Reagan's visit to China, viewing it as another step toward isolating the island diplomatically.

"If an old friend like Reagan can go to Beijing for his country's interests and his own political interests, we can't rely on anyone to protect our interests," said Wang Shih Chan, a businessman. "His trip gave the impression that sooner or later, the American government is going to sacrifice Taiwan for the friendship of Communists."

Before his visit to China earlier this month, Mr. Reagan gave assurances to Taipei of continuing U.S. support for the island's security. In Beijing, he showed no signs of wavering.

What worries Taipei, however, is that his preoccupation with the Soviet Union may overtake his commitment to this island of 19 million people.

In pursuit of Beijing as a strategic partner, it is feared that Mr. Reagan is vulnerable to Communist demands for concessions on the island that it considers a breakaway province. Chinese Nationalists fled here after losing the mainland in 1949.

"The biggest danger of President Reagan's visit is the perception that a good Communist can be used to check a bad Communist," said a government spokesman, James Soong.

Beijing did its best to discourage such a perception during Mr. Reagan's visit, even deleting anti-Soviet remarks from the president's televised speeches. Publicly, Beijing steers an even course between the two superpowers and hopes to normalize ties with Moscow.

### 3 Bombs Are Set Off in Chile

Reuters

SANTIAGO — Two bombs exploded here early Sunday — the fourth night in a row that bombs have been set off in the capital — and one went off in the port of Valparaiso, police sources said. A bomb in Santiago damaged an electricity pylon, injuring a youth, and another damaged a Mormon temple. The bomb in Valparaiso went off near police barracks but caused little damage.

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## AMERICAN TOPICS

## A Visionary Gift For California

The University of California has received the largest single private gift in its 116-year history, a \$36-million donation to help finance the construction of the world's most powerful telescope.

The donation—in the form of cash, art masterpieces and property in California and New Jersey—came from the Marion O. Hoffman Trust.

The "Ten-Meter Telescope," as it is known, is in the final design stages at four of the UC campuses—Berkeley, Los Angeles, San Diego and Santa Cruz. It is expected to be completed in 1989.

It will sit atop Mauna Kea volcano in Hawaii and allow views of the universe 10 billion to 15 billion light years away. The largest telescopes today—the 236-inch (600-centimeter) telescope in the Caucasus Mountains in the Soviet Union and the 200-inch instrument at Mount Palomar in California—allow scientists to observe objects about 5 billion light years away.

## Boston Runners Take A Jolt With Their Jog

Serious drinking does not necessarily preclude serious running, according to 150 harp-hopping Boston joggers who tank up before taking off together every week.

"We run for foam," notes Ed Doyle, a bartender at Bull and Finch bar who founded the Barleyhoppers, a group that includes some serious runners.

The Barleyhoppers run every Monday from the Bull and Finch on Beacon Hill—a bar that was the model for the television series "Cheers"—to another bar a mile (1.6 kilometers) away. There they stop to quaff a brew or two before heading back on a full tank.

## Professional Groups Criticize FBI 'Covers'

Professional groups have grown increasingly critical of the practice of FBI agents to pose as doctors, lawyers, reporters or clergymen. They say that operations employing masquerade are discrediting their trades and undermining public trust.

The dispute is part of the fallout from the FBI's "Abscam"

operation, in which agents posed as wealthy sheikhs, and which resulted in bribery and conspiracy charges against several congressmen. But journalists in particular are angry about FBI impersonation of reporters.

One editor, John Seigenthaler, told the Senate Judiciary Committee recently: "Sanctification of a procedure under which a government agent can infiltrate a news organization or pose as a member of the news media is precisely the sort of law that whittles away and erodes the First Amendment."



Caspar W. Weinberger

## Pentagon Decodes What's-His-Name

Usually, senior government officials file their financial disclosure statements through their lawyers and accountants. A notable exception is Secretary of Defense Caspar W. Weinberger.

Taking pen in hand, he personally fills out his own disclosure form. The result presents a formidable challenge to anyone attempting to read it. Around the Pentagon it is said that breaking enemy codes is a snap compared to deciphering the secretary's tiny and almost illegible script.

One of Mr. Weinberger's secretaries said: "We have to type his notes to people because they can't read his handwriting." So far, there have been no complaints from the people who really count, officials at the Government Ethics Office whose job it is to review these statements.

## Laundromat Concept Computes Well

A Chicago man has mated computers with the laundromat concept. He has opened storefront operations that rent time on computers and keyboards to walk-in customers in four cities in Wisconsin, Iowa and Illinois.

"I think they could become as common as gas stations or laundromats," said Howard J. Weiner, 28, founder of Easykeys, the first U.S. chain of computer shops.

Each of the four Easykeys shops is equipped with 10 IBM personal computers, a wide range of word processing, business, accounting and other specialized programs, printers and data bank link-ups.

Someone making use of all of the equipment can rent up to \$10,000 worth of computer hardware and software for as little as \$3.50 an hour, but only if paying in 20-hour blocks of time. The top rate is \$5 an hour.

## And the Winner Is... Cornell's Pink Forest

A Cornell University gardener who dyes evergreen trees with a disgusting pink slop to make them too ugly to steal has won the \$500 first prize in Cornell's annual cost-saving competition.

The expensive trees at Cornell's 2,800-acre (1,120-hectare) plantation and arboretum were being cut down by students at Christmastime. So last fall Gerardo Sclaria, 30, developed a mixture of putrid goo to spray on the trees that eventually washes off in the rain.

## But Can It Play Golf on Thursdays?

A programmable pocket calculator developed at Boston University Medical School and costing \$75 could save a quarter of a million Americans from pointless hospital stays each year, its developers say.

The calculator, when fed with the symptoms of patients, can make a swift distinction between indigestion, muscle strain and other minor ailments and the warning signs of a heart condition.

A test with the computer involving 2,230 patients resulted in doctors cutting admissions by 30 percent without missing any patient who actually had or later turned out to have heart disease.

## Admiral Links Son's Cancer to Defoliant

But He Says His Order to Spray Agent Orange Saved Thousands of Lives

By Kathy Sawyer

Washington Post Service

WASHINGTON — Admiral Elmo R. Zumwalt Jr. ordered the spraying of Agent Orange to defoliate the Ca Mau Peninsula in South Vietnam 16 years ago, just before his son began running river patrol boats through the area in search of Viet Cong.

Elmo R. Zumwalt 3d, 38, has advanced cancer of the lymph glands. Father and son say they believe that exposure to the herbicide probably caused the disease and may have caused a birth defect in the now-retired admiral's 7-year-old grandson, Russell.

"My feelings about my son's tragedy are cause for great emotion and suffering," Admiral Zumwalt said. "My feelings about the extent to which I was a causal agent of that tragedy are nonexistent."

He said he believes now, as he did in 1968, that the use of Agent Orange to destroy crops and jungle cover concealing the enemy "saved thousands of American lives."

Even if a causal relationship can be established—and it hasn't—between Agent Orange and the illness, I would have to conclude on balance, given the tragedy of war, that many more men are alive today, including possibly my own son, because of Agent Orange."

He has come to think that "there probably is a causal relationship" but "I'm not sure what the decision would have been had we known then what we know now."

Earlier this month, seven chemical companies agreed to pay \$180 million to thousands of Vietnam veterans who claim that exposure to the dioxin-contaminated defoliant has affected their health. The out-of-court settlement and lack of scientific proof left unresolved doubts about the impact of their limited exposure to the chemical.

The younger Zumwalt, now an attorney in Fayetteville, North Carolina, said: "I created my own destiny. I was on a guided missile destroyer in the Mediterranean and I volunteered to serve in Vietnam. I had a father who would not block a

decision by a young naval officer in Vietnam."

During his 1969-70 tour of duty, he was in charge of a 55-foot (17-meter) "swift boat." It patrolled as far north as Da Nang and as far south as Ca Mau, the southern tip of the country, looking for regular army infiltrators from North Vietnam or for Viet Cong guerrillas. Particularly around Ca Mau Peninsula, he said, the landscape was burned out by defoliant spraying.

"We lived on those boats, ate and drank Vietnamese food and water," he said. "At the time, I gave no thought to what the health consequences of Agent Orange might be. . . . It was day-to-day survival that preoccupied us. The defoliation was to keep the fire fights further back. We thought that was a good thing."

He thought about Agent Orange again a few years later, he said, when he learned that Russell had "sensory integration dysfunction," a disorder that he said prevents the boy's mind from properly integrating light and sound.

"I had read that a number of Vietnam veterans' children had birth defects," his wife, Kathy, said. "When we found out about Russell, I asked Elmo if he'd been around Agent Orange at all. I hadn't known anything about it until then."

In January 1983, Mr. Zumwalt had a routine checkup. His doctor noticed that he had an enlarged spleen and, after tests, told him he had "stage four lymphoma," he said. "The median for survival is eight years. And there's no way to tell where I'll fall out. All I can say is that so far I have had a fairly slow disease process."

Plaintiffs' attorneys invited Elmo Zumwalt 3d to participate in the class action suit against the makers of Agent Orange. He declined, although he is on the Agent Orange registry as a potential member of the affected class. "My time was limited and I had to pay attention to my family and my family's problems."

Admiral Zumwalt, who retired in 1974, said Agent Orange had been



Elmo R. Zumwalt Jr.

in use for some years when he became chief of naval operations. "The Saigon River had been heavily defoliated, making it possible for merchant ships to bring supplies in without damage. There had been some defoliation in the Ca Mau Peninsula, but not enough to clear the banks out. I suggested that be done."

## In Canada, Campaign to Succeed Trudeau Is Almost Invisible

By Michael T. Kaufman

New York Times Service

TORONTO —The campaign to choose a successor to Pierre Elliott Trudeau as leader of the Liberal Party is more than two-thirds over, and compared with the fight for the Democratic presidential nomination in the United States, it has been a quiet and decorous affair.

The contest officially opened on Feb. 29, when Prime Minister Trudeau announced his intention to resign after more than 15 years as national leader and head of the party.

It will end at a three-day convention in Ottawa starting June 14 when party delegates, most of them chosen by local organizations, gather to choose one of the seven men in the race.

The victor will then take over as prime minister, at least until he leads the party into national elections expected later this year.

Here, there are no television or newspaper advertisements, no cheering claque of supporters, no armies of aides. There are very few posters or banners, and the candidates—six cabinet ministers and a former minister—move around the country on commercial aircraft rarely accompanied by more than a single staff aide.

The contenders are limited by the party to spending no more than \$1.2 million each on their three-

month campaigns. There have been weeks when the coverage of the Democratic contest in the United States, seen in Canada on American channels, was much greater than the coverage of the Liberal contest on Canadian television.

"The nomination here involves much less time, much less money and far fewer actual voters than does the process in the States," said Mike Duffy, a television commentator who has often found himself a solitary observer on the campaign trail.

Mr. Duffy was one of three journalists who were waiting recently to join John Turner, the acknowledged front-runner, on a campaign swing by bus of the Niagara peninsula.

Mr. Turner, a lawyer and former finance minister, arrived alone and went into the building housing his campaign headquarters seemingly unnoticed.

The scene reflected the serene aspect of the Liberal Party contest, in which the only people being wooed are the 3,500 delegates. Mass appeal is not regarded as necessary and is sometimes even seen as a disadvantage.

Unlike the race in the United States, where delegates are selected by large turnouts at primaries or state caucuses, they are chosen in Canada by party clubs whose dues-paying members—in some cases

80 or 100 people—represent a tiny fraction of the electorate.

It is the party faithful who are being courted, and many of them would hardly be flattered by candidates who reach out directly to the rank and file early in the race.

Clubs in the 282 parliamentary ridings, or districts, have each chosen seven delegates for the Ottawa convention. In addition, campus Liberal associations will send two delegates each, and all Liberal elected officials will also qualify as delegates.

On the bus, as he traveled to meet with prospective delegates from five district organizations in the Niagara peninsula, Mr. Turner explained the narrow focus of his efforts.

"For us the first objective is to concentrate on those 3,500 delegates, that's the target," Mr. Turner said. "What is involved is old-style politics that you can hold in your hand, reaching out and touching and talking to all these people."

His priorities were obvious at the meeting in St. Catharines. The bus did not carry any posters identifying the candidate, nor did Mr. Turner waste a gratuitous smile or wave on the folk along the way.

Instead, his interests and energies were projected exclusively on the 200 people who gathered at the meeting in the Black Sea Ukrainian Hall. All were Liberal Party activ-

ists and about 80 of them would be delegates to the Ottawa meeting.

He shook hands at least once with everyone and to his address affirmed the personal relationships he had developed with regional politicians, all of whom he named. There were no attacks or even references to his competitors for the nomination as Mr. Turner defended the political high ground he holds as front-runner.

As for issues, they were kept broad and general. Mr. Turner paid homage to Mr. Trudeau, who is popular with some Liberals but unpopular in public opinion polls.

He made clear that having distanced himself from the prime minister by leaving the government for private business in 1975 he was in a good position to rebuild party fortunes in the west, where Mr. Trudeau is widely disdained and where the Liberals have little support.

He endorsed the right of equal pay for equal work for women, and he promised to sell Canadian products and build employment opportunities.

Mr. Turner's closest competition, so far, has come from Jean Chretien, the minister of energy, who as a wisecracking party workhorse has won a wide personal following around the country.

The differences between candidates are blurred, but Mr. Chretien is emerging as a stronger defender of federal authority, while Mr.

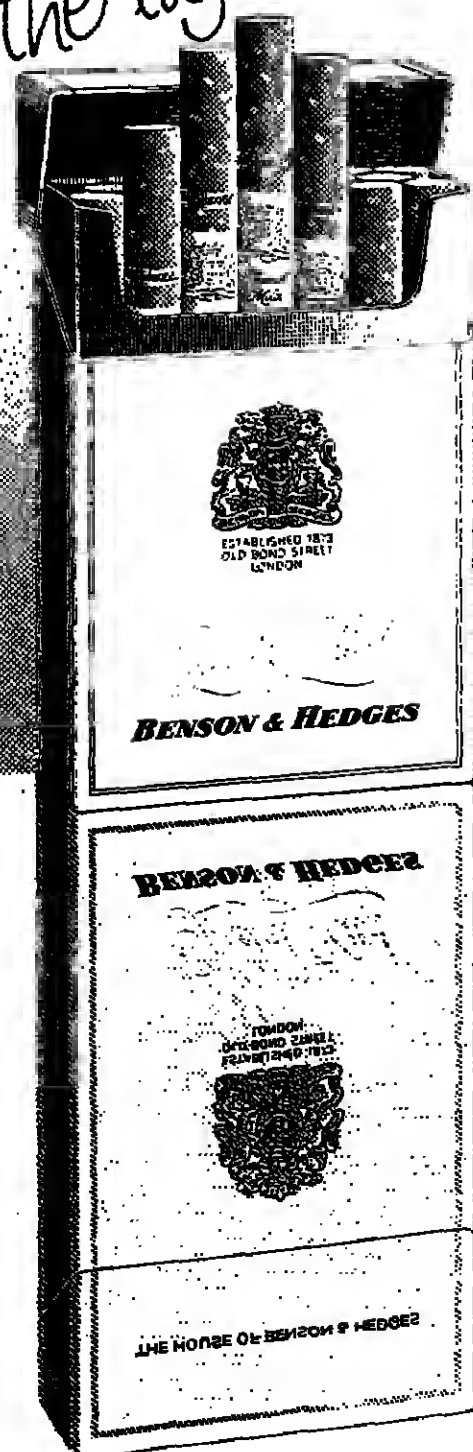
Turner appears more prone to support provincial prerogatives. Mr. Chretien is also trying to buck a Liberal Party tradition of alternating leaders between French and English Canadians.

None of the other five candidates has yet to gain sizable support.

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## CIA Reportedly Asked Israelis, Saudis To Give Covert Support in Nicaragua

By Bob Woodward

Washington Post Service

WASHINGTON — The Central Intelligence Agency asked Saudi Arabia and Israel last month to provide covert support for secret operations against the Sandinista government of Nicaragua, according to informed sources.

The Saudi government turned down the request. But the sources said some U.S. intelligence officials have claimed that Israel provided some type of well-concealed financial assistance to U.S.-backed guerrillas, or *contras*, who are conducting paramilitary operations against the leftist government in Managua.

A senior Israeli official denied this on Friday. He said: "We have not supplied any money to the *contras*, either directly or indirectly. We are not consciously or with knowledge passing anything to the *contras*... We are not a surrogate for the United States."

According to U.S. sources, Israeli assistance totals several million dollars and appears to be reaching the rebels through a South American intermediary. The United States might repay Israel for this assistance, they said, in the \$2.5

billion in military and economic aid it annually sends to Israel.

Asked about overtures to Saudi Arabia and Israel, a senior Reagan administration official said last week: "There were lots of conversations... but nothing of that character that was official." The Saudi contact, according to this official, was "totally unauthorized."

In the current atmosphere of reciprocity between the Israeli and U.S. intelligence agencies, Israeli assistance would not be out of the question, according to both U.S. and Israeli sources. Several officials said that William J. Casey, in his three years as CIA director, has provided Israeli intelligence with access to sensitive satellite photographs and other reconnaissance information that had been denied the Israelis in the late 1970s.

Several guerrilla leaders have been quoted recently as saying that they had made arrangements to get assistance from Israel. Several well-placed sources said it was apparent that some type of alternative funding reached the rebels after Congress refused last month to approve the \$21 million requested by President Ronald Reagan for the covert operations.

"The desperation of April has

turned to the confidence of May," said one source. A senior Reagan administration official on Friday attributed the new mood of confidence to "lots of scrounging around" by the rebels.

Both Mr. Casey and other CIA officials have denied to the House and Senate intelligence committees that they have any personal knowledge of a third country providing money to the guerrillas.

Two sources described the following sequence of events for the back-channel request to Saudi Arabia after The Washington Post quoted an unidentified source on April 13 as saying that the CIA was considering the possibility of asking "another country, such as Saudi Arabia, to send money to the *contras*." The source was a U.S. official, although not identified as such in the report.

Soon after the report appeared, a CIA official asked a Saudi official if the well-placed source had been Saudi and whether Saudi Arabia was hinting interest in helping to support the Nicaraguan rebels. The Saudi official replied negatively, the sources said, and then was pressed by the U.S. official, who noted that the requested \$20 mil-

lion to \$30 million would be "peanuts" for the oil-rich kingdom.

The Saudi official agreed to check officially with his government. The sources said the reply was negative, with these reasons given:

• Saudi Arabia believed that the CIA could not or would not offer anything of substance in return.

• It generally disagreed with many aspects of U.S. policy in Central America. The Nicaraguan government is essentially pro-Arab, while two U.S.-backed countries in the region, Costa Rica and El Salvador, recently moved their embassies in Israel to the city of Jerusalem, moves opposed by Arab states, including Saudi Arabia.

• The Saudis said they had no confidence that secrets could be kept in the Reagan administration and that any Saudi aid would soon be reported in the American press and embarrass them.

The extent of U.S.-Israeli cooperation on intelligence matters is a matter of some concern in the CIA. Some officials believe that Mr. Casey has gone too far. Others say, however, that the United States gets much crucial information in return from the well-respected Israeli services.



Isabel Perón leaving Madrid on her way to Argentina.

## Mrs. Perón in Buenos Aires For Talks on Political Unity

Reuters

BUENOS AIRES — Isabel Perón, leader of the Peronist opposition and former Argentine president, returned to Argentina Sunday from exile in Spain for national unity talks with President Raúl Alfonsín.

Mrs. Perón stepped off the commercial airliner, which brought her from Madrid, thousands of supporters chanted her name.

"She's coming to unite Argentines and the Peronist movement," said Herminio Iglesias, a Peronist politician. "This is a moment of joy for all Peronists."

Mr. Alfonsín invited her for talks aimed at reaching agreement on an economic program to deal with 522 percent inflation and a \$43.6-billion foreign debt.

Argentina is negotiating with the International Monetary Fund on an economic recovery program, a prerequisite for rescheduling the debt and for a medium-term loan of \$1 billion.

But Mr. Alfonsín, who has pledged to restore economic order and to reactivate the economy, objects to the IMF's insistence on austerity measures that would lead to further recession.

Mr. Alfonsín was elected last October, ending eight years of military rule and 40 years of Peronist dominance. Mrs. Perón took over as president from her husband, Juan Domingo Perón, on his death in 1974. She was overthrown in a military coup in 1976, and was detained for five years until she was allowed to leave for Spain three years ago.

## U.S. Plan for Broadcasts Leaves Cubans Skeptical

### Many Believe Radio Martí Will Be Source of Anti-Castro Propaganda

By Joseph B. Treaster

New York Times Service

HAVANA — For months Francisco Guterres has been hearing about a new radio service that is being prepared in Washington to broadcast to Cubans news about what is happening in Cuba and about what the Cuban government is doing elsewhere in the world.

But the 36-year-old construction worker says he is not interested. He says he does not mind that the Cuban government-controlled newspapers and radio and television stations often report major events many days after they have occurred or, sometimes, not at all.

The imperialist system is to flash the news right away to confuse people," Guterres said. "Here," he said, "the government analyzes the news before it sends it out and tries to put it into the proper context so that people won't be mislead. In the case of the Grenada invasion and the car-bomb explosion last month in Angola, we found out several days later. It was not that the government did not want us to know. But they tried to put it into the proper context."

Many Cubans interviewed here and in Guanajuato, 500 miles (800 kilometers) to the southeast, expressed curiosity about the new radio service, which was approved by Congress last October and is expected to begin operating from studios in Washington in late summer or early fall. But most of them, echoing what has been published and broadcast by the Cuban government, said they were skeptical that the radio service would transmit anything more than anti-Castro propaganda.

The new radio service is to operate as a branch of the Voice of America and be known as the Radio Martí program, eventually broadcasting up to 14 hours a day of news, entertainment, sports and commentary in Spanish.

The Voice of America now broadcasts its traditional mix of news about the United States and the world, information about American thought and institutions and statements of United States policy to Cuba (for five and a half hours a day). That programming, which is believed to have a large audience in Cuba, will continue, Voice of America officials say.

In a speech broadcast to Cuba over the Voice of America this year, President Ronald Reagan said the service is universally referred to here and in Washington, "simple and straightforward: tell the truth about Cuba to the Cuban people."

The Cuban government, which has taken the name of José Martí, one of its most revered heroes of the struggle for independence from Spain for the new service, has not said exactly what it plans to do about Radio Martí.

But it has indicated it is considering jamming the Radio Martí signal that will be broadcast from transmitters in the Florida Keys or possibly using powerful transmitters in Cuba to interfere with commercial broadcasting throughout the southeastern United States.

Western diplomats say Cuba already jams the Voice of America intermittently, and they say they feel certain there will be at least some jamming of Radio Martí.

The Reagan administration originally tried to set up Radio Martí as a separate entity much like Radio Liberty and Radio Free Europe, which operate as private corporations financed by the U.S. government and which broadcast from Europe reports of activities in the Soviet Union and the Soviet-bloc countries to those countries.

But critics of the plan fear that an independent Radio Martí might become a strident voice of anti-Castro Cubans who would increase tensions between the United States and Cuba. The compromise solution was to set up Radio Martí within the Voice of America, a government agency with congressional oversight and standards for objectivity and accuracy.

Some Cubans, Western diplomats in Havana and expatriates say the United States is mistaken if it believes Cubans must rely solely on their government for information. They say that they regularly listen to commercial radio stations in Miami and Key West, about 90 miles (145 kilometers) away.

"You don't need Radio Martí to get information in Cuba," said Harry Tanner, a 50-year-old Canadian artist who was born in Cuba, has lived most of his life here and is married to a Cuban woman.

"I listen to National Public Radio and I hear ABC, CBS, NBC and Radio Canada," he said. "Everybody here listens to radio from all over. You can use any antenna you want."

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## Peruvian Rebels Kill 35, Police Say

The Associated Press

AYACUCHO, Peru — Marxist guerrillas have shot and killed 35 persons and wounded 25 others in a remote Andean village, according to police.

About 150 fighters of the Sendero Luminoso, or Shining Path, movement attacked the village of Píccos on Wednesday, two days before the fourth anniversary of their war to overthrow the government and establish a Marxist state, police said.

They said a survivor had reached the city of Andahuaylas in the neighboring state of Apurímac on Friday and reported the attack.

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## Duarte Says the Military Accepts Democratic Rule

United Press International

WASHINGTON — President-elect José Napoleón Duarte of El Salvador said Sunday he was confident the military has accepted democracy and was willing "to give back the power to the people."

Mr. Duarte, who is in Washington for talks Monday with President Ronald Reagan, said he would appoint a presidential commission to investigate "specific crimes" in an effort to block the activities of death squads.

"I will confront the problems of abuses of authority, the problems of violence, of the death squads, the problems of injustice, the problems of lack of opportunity," he said in a television interview.

Underlining his faith that the military would allow him to govern as El Salvador's first civilian president in 50 years, Mr. Duarte said he intended to reappoint General Carlos Eugenio Vides Casanova as defense minister.

"The high command of the military at this moment has a clear

mind of what the process of democracy is," Mr. Duarte said. "They understand what the steps are to be made. I talked to all of them."

He said he asked General Casanova, former head of the national guard, if he was ready to accept this form of government and said he was pleased to say he would "appoint Casanova after his declaration of loyalty and support for democracy."

Mr. Duarte said the military leaders assured him they "are now joining in the effort to give back the power to the people."

In London, an Amnesty International report for release Monday says that a "large proportion" of the estimated 40,000 Salvadorans murdered in political violence in El Salvador since 1979 had probably been killed by government security and military forces.

Failure by the government to investigate violent deaths suggests that "it is the authorities themselves who lie behind the wholesale... execution of people," the human rights organization report said.

## U.S. Approves Sale of New Painkiller

By Christine Russell

Washington Post Service

WASHINGTON — The Food and Drug Administration has approved for sale the first new non-prescription painkiller in three decades.

The drug, whose chemical name is ibuprofen, will be labeled for the temporary relief of aches and pains, fever reduction and relief of discomfort from menstrual cramps, the FDA said Friday.

Two brands of ibuprofen, Advil and Nuprin, will immediately enter the competitive market of over-the-counter painkillers that contain aspirin and acetaminophen, such as the Tylenol brand. Such analgesics account for \$1.4 billion in annual sales, according to an FDA spokesman, William Grigg.

Larger doses of ibuprofen have been available on a prescription basis under the names Motrin and Rufen since 1974. Those brands are used for inflamed joints, mild to moderate pain, menstrual cramps and arthritis.

While emphasizing that ibuprofen is safe and effective, the FDA announcement contained a caution. It said the manufacturers must place a notice on the label that warns: "Do not take this product if you have a severe allergic reaction to aspirin, e.g., asthma, swelling, shock or hives, because even though this product contains no aspirin or salicylates, cross-reactions may occur in patients allergic to aspirin."

Mr. Grigg said that "about 1 percent of people are sensitive or allergic to aspirin."

The labeling will also recommend that ibuprofen not be used with aspirin or acetaminophen or by pregnant women or children under 12.

Aspirin has been marketed in the United States since the beginning of the century, and acetaminophen was approved for over-the-counter sale in the late 1950s. Mr. Grigg said that studies show that ibuprofen has a wider safety margin in terms of drug overdose than aspirin or acetaminophen and a "clear benefit" in the treatment of menstrual cramps.

However, Dr. Sidney Wolfe of the Public Citizen Health Research Group said that ibuprofen is "no more effective than aspirin" but is far more expensive.

Dr. Robert Temple, who is in charge of evaluating new drugs, said that the warning will accompany all new promotional material for ibuprofen. "This action," he said, "alleviates a concern of the FDA advisory committee that helped us consider nonprescription ibuprofen. The committee recommended approval of the drug but was concerned that its promotion might encourage inappropriate use."

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## West Germans Protest Nazi Veterans' Meeting

Reuters

BAD HARBURG, West Germany — About 1,000 demonstrators marched through Bad Harzburg in protest against a planned reunion of former members of Hitler's elite Waffen SS police said.

About 200 veterans of Hitler's bodyguard and Hitler Youth divisions gathered Saturday for a three-day reunion, but the municipal government won a ban to stop the group from holding a formal meeting on the ground that it could provoke violent counterdemonstrations.

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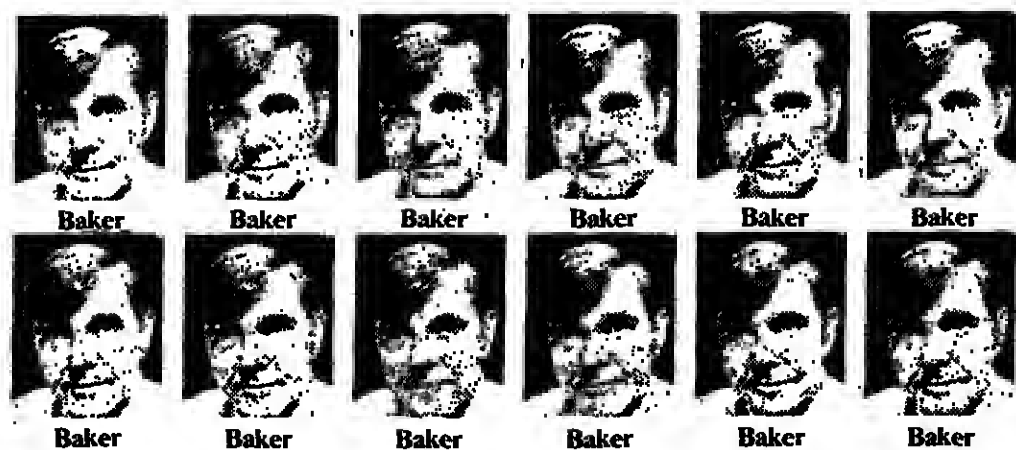
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## A Dozen



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## INTERNATIONAL EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Max Ferrero in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
MANAGER INDUSTRY AUTOMATION	\$Fr. 70-80,000 net	MTA's Automation Division	Geneve	Msc. 5 yrs. project mgmt. exp.; broad commercial aspects of automation; is 4-6 level of automation tech.	Director, Personnel, MTA, c/o Rue 108, Calve, Switzerland.	INT. 10-5-64
2 PROJECT ANALYSTS	Sw. \$34,000 net fee	WEMA	Vienne	Eng. in computer science; min. 5 yrs. data processing exp.; Eng. + techn. exp. as project team leader.	Stanley Chof, Personnel Services Division, ENSA/7/74 (C), ROUTE 10, Rue 708, 1-1400 Vienne.	INT. 10-5-64
President Chief Executive Officer		Major Canadian Corp.	Central Canada	Administrative "hands-on" operating executive; demonstrated success as strategist with complex concepts.	Mr. Bob Channing, File # 658, Post Highway, P.O. Box 31, Commerce Court West, Toronto, Ontario, Canada M5E 1B2.	INT. 10-5-64
CHIEF EXECUTIVE		Chemical Industrial Production Co.	Toronto, New Zealand	Senior Executive; proven business ability; wide range of job skills; good understanding of the New Zealand	Mr. F.M. Orr, Petroleum Chemicals N.Z. Ltd., P.O. Box 1550, Auckland, New Zealand.	INT. 10-5-64
EUROPEAN MARKETING MANAGER		Analog Devices (Systems Products).		Multi-discipline mng., 5 yrs. exp. in Eng. or Eng. prod. mng. + sales exp. capital exp.; Eng. + Inv. or Fin.; Sales mgt. or persnl.	Stewart Kasper, P.O. Box 2337, 1211 Avenue 2, Tel.: (22) 76 93 73.	INT. 10-5-64
INTERNATIONAL BANKER	Attractive	Major U.S. Bank.	London	Strong credit mgmt.; min. 4 yrs. Int'l exp. probably with U.S. bank.	Headoffice Recruitment Unit, 21 College Hill, London EC4A 3DP, Tel.: 240 63 40.	Euromail 12-5-64
DIRECTOR OF MARKETING		Major U.S. corp.		Marketing experience 6-15 yrs' exp. in sales/purchases, or related inf.; highly analytical prof.	Box D 2979, International Herald Tribune, 93231 Nanterre Cedex, France.	INT. 12-5-64
Vice-President Corporate Operations	Important	Major U.S. developer & producer of computer systems.	Europe	Extensive executive, broadly exp. & notably successful.	Box D 2978, International Herald Tribune, 93231 Nanterre Cedex, France.	INT. 12-5-64
FINANCIAL ANALYSTS MANAGER		Bourgeois.	New Rome France	Eng., Fin. 3 yrs. + financial analysis exp.; Mgt. exp. multinational, using computers & marketing people.	Mrs. A. Lohse, Bourgeois, R.P.S., 76360 Villars Cedex, France.	Eu Point 14-5-64
CADRE COMMERCIAL EXPORT		Highly skilled engineering specialist.	France near Marseille	20 yrs min.; min. 5 yrs. exp. outside expert sales development exp.-international, Fin., Eng.	Ind. 5690 B, NORMAN CONSULTING, 50 Ave. de France, 75017 Paris	Le Monde 12-5-64



# Sir John Betjeman, Poet Laureate, Dies

By Herbert Mitgang  
New York Times Service

**NEW YORK**—Sir John Betjeman, 77, Britain's poet laureate, died Saturday at his vacation home in Trebetherick, Cornwall, after several years of failing health.

Sir John had suffered from Parkinson's disease for several years. In 1981 he had a stroke from which he never fully recovered and last year he had a severe heart attack.

Sir John, who was knighted in 1969, was designated poet laureate 12 years ago by Queen Elizabeth II. His work appealed as much to casual readers as to the literary establishment.

"His poems are slick but not streamlined," W.H. Auden once wrote. "He is concerned with actual places. To him a branch railroad is as valuable as a Roman wall, a neo-Tudor teashop as interesting as a Gothic cathedral."

That phrase, "Slick but Not Streamlined," became the title of a

1947 collection of Betjeman poems and short pieces selected by Auden. Philip Larkin, in an introduction to Sir John's "Collected Poems" in 1972, wrote: "Almost alone among living poets he is in the best sense a committed writer, whose poems spring from what he really feels about real life, and as a result he brings to poetry a sense of dramatic urgency it had all but lost."

Sir John took a special interest in architecture and the changing face of London—he became well known as a campaigner to save Britain's architectural heritage. From the South Pier to the Church of St. Mary-le-Strand near Covent Garden in London. This was reflected in a 1954 poem titled "Monody on the Death of Aldersgate Street Station," which begins:

*Snow falls in the buffet of Aldersgate station.  
Soot hangs in the tunnel in clouds of steam.*

*City of London! before the next desecration  
Let your steeped forest of churches be my theme.*

His poetry sold well. "Summoned by Bells," his 1960 verse autobiography, sold more than 100,000 copies, and volumes of his poems sold in the hundreds of thousands. Among his titles are "A Few Late Chrysanthemums," which won the 1954 Foyle Prize; "Church Poems," published in 1981; and "Uncollected Poems," published in 1982.

The title of poet laureate, which dates back three centuries, was conferred on him after the death of C. Day Lewis. The title carries no formal duties, but the holder is expected to write verse for royal occasions, such as weddings and investitures.

Sir John was born in London on Aug. 28, 1906, into a family of fine furniture and silverware makers of

Dutch descent. After studying at Marlborough College and at Magdalen College, Oxford, he taught cricket and English in London. In World War II he served as press attaché in Dublin in 1941 and 1942 and at the British Admiralty in 1944. He was a book critic on various newspapers, including The Daily Telegraph, and was active in British arts organizations.

In 1933 he married Penelope Valentine Hester, who wrote under the name of Penelope Chetwode. They had a son and a daughter.

Sir John's companion for many years, Lady Elizabeth Cavendish, was with him when he died.



Sir John Betjeman

## Japan Lets Mothers Give Nationality, Allows New Citizens to Keep Names

Los Angeles Times Service

**TOKYO**—The Diet has enacted laws to allow mothers, as well as fathers, to pass on Japanese nationality to their children and to allow foreigners becoming Japanese citizens to use non-Japanese names.

The actions Friday raise the status of women and remove official support for the continued homogeneity of the Japanese. Both laws, which were approved earlier by the lower house, will take effect on Jan. 1.

Revision of the Nationality Law, for the first time in Japan's history, will allow nationality to be passed to children by either the father or the mother instead of only by the father. Previously, a child of a Japanese mother married to a foreigner could obtain citizenship only if the mother declared the child illegitimate and the father unknown.

As many as 40,000 children of marriages between a Japanese woman and a foreign man have been unable to obtain citizenship. Revision of the Family Register Law explicitly allows foreigners taking Japanese nationality to retain their own names. Although an legal ban has existed on persons keeping their names when they assumed Japanese citizenship, administrative offices have always pressured new citizens to adopt Japanese names.

The Justice Ministry has estimated that as many as 10,000 people a year may now assume Japanese nationality while retaining what have been considered foreign names. Most of those expected to exercise the right to use their real names officially are Koreans living in Japan.

DEC bought the computers so they could be confiscated.

Escorted to Stockholm airport by Swedish troops, the DEC shipment was loaded on a jet belonging to a U.S. cargo airline. Once on board a U.S. aircraft, the computers were seized by a U.S. customs agent who flew home with the shipment.

Air police ringed the plane as it landed outside Washington at Andrews Air Force Base. The elaborate security was designed to safeguard what U.S. courts call "the chain of evidence" for the case against Mr. Mueller.

NEXT: Mr. Mueller's world.

## Year after year, millions of birds come to spend their holidays in Portugal

Flying on the wings of instinct, searching for a dearer sky and a warmer sun.

Driven by their senses, they come looking for a new reality, a place where they can recover their strength, a place to pause, to dream, and, who knows, to find a higher life.

They come from all over Europe and Africa, and up north, in the mountains, in the mild climate of the lagoons of the South.

Each year they bring with them millions. Filling their eyes with the endless green of the North and breathing the sweet scented air of the South.

And each year, like these migrant birds, come visitors, bodies craving the sun, souls seeking a quiet retreat.

They too regain their strength. And learn to dream. Here, amongst sweet scents and green dews.

Here in Portugal, a mixture of eight centuries of history and the simplicity of day to day living.

Among people who carry the memory of the ocean in their veins, and a warm welcome in their hearts. Among people in the South, the birds' flight is a symbol of peace and who know, to find a higher life.

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## U.S. Steps Up Battle on Smuggling Of High-Technology Goods to Soviet

(Continued from Page 1)

technology, on opposite sides of the law, in the 1970s in the Silicon Valley in California.

Small new companies were revolutionizing the computer industry, including its military potential. Research long pioneered in military laboratories under security controls had moved into the civilian sector, creating new enforcement problems.

"We didn't know what we were looking for, how to define the crime, or what to say to allied governments," Mr. Urbanski said in a recent interview in which he and other customs agents talked about Mr. Mueller and his operations.

Mr. Mueller is subject to arrest in the United States in connection with alleged customs felonies in the mid-1970s, but he travels with apparent impunity elsewhere since few countries will extradite suspects in technology smuggling cases.

Mr. Mueller has reportedly maintained a multimillionaire's lifestyle in the West, cruising on his yacht that once belonged to Prince Ranier of Monaco and maintaining lavish homes in South Africa and West Germany.

In the East, where Western businessmen say they have seen him helping Soviet clients install U.S. equipment, Mr. Mueller is accorded red carpet treatment. He keeps an apartment in Budapest, where he said to be part-owner of a computer company.

When he first came to the authorities' notice a decade ago in the Silicon Valley, Mr. Mueller was already active as an operative, and perhaps the leader, in a syndicate illegally exporting high technology to the Soviet Union, U.S. officials say. His target was semiconductor manufacturing equipment to make smaller, more efficient computers.

In 1975, he was implicated in an illegal shipment of this equipment to the Soviet Union via the West German subsidiary of Honeywell. This was done with the help of a corrupt Honeywell sales representative working for Mr. Mueller.

The next year, he and firms he controlled in the United States and Western Europe were put on a Commerce Department list of purchasers prohibited from obtaining sensitive technology. But as fast as his companies were identified, Mr. Mueller created new ones. This was a key to his successful operations.

Using bribery or subterfuge, he learned to obtain sensitive technology from multiple sources, to assemble a package and to route the shipment through the estimated 60 front companies he controls around the world.

His technique involves using many times his own and sometimes unwary companies simply following client instructions. The advantage for Mr. Mueller is that freight agents can enter bonded transit warehouses in airports and harbors, repackaging equipment, relabeling goods to disguise their sensitive nature, change destinations and re-ship without the shipment undergoing local customs inspections.

An important detail often went into the Canada since it is the only country for which the Commerce Department does not require an export license for nonclassified high technology. In Montreal airport, many crates are simply relabeled and sent on to Europe, U.S. officials say.

One such illegal Mueller shipment to the Soviet Union through dummy companies in Canada, West Germany and Switzerland was intercepted by customs agents. They removed the silicon-lacking equipment, which was labeled an industrial oven, and substituted sand and a four-letter message to be sent on to Moscow.

As customs agents closed in on Mr. Mueller, he left for West Germany.

The Soviet Union, partly through his efforts, now had sent conducting factories, so he raised his sights to a more sophisticated target: computer-assisted design of new super-microchips.

Mr. Mueller's operations finally surfaced dramatically in November. In a week of scrambling police work and diplomatic arm-twisting, West Germany and Sweden, acting on U.S. intelligence, seized 40 tons of electronics equipment bound for the Soviet Union.

A few days later, the Swedish authorities seized nine containers more arriving from Hong Kong and Canada as part of the same Soviet order.

It was the biggest attempted diversion of sensitive U.S. technology ever discovered. Piecing together the computer configuration, U.S. officials concluded that an advanced military integrated-circuit manufacturing plant had been assembled by Mr. Mueller. The system "had all the elements necessary for computer-aided design work for Very Large Scale Integrated Circuits," a Defense Intelligence Agency official said.

A highly classified technology, these "super-chips" are the core of "smart weapons" planned for U.S. forces during the next decade. Because the complex, miniaturized circuit-boards can perform so many calculations, they expand the control powers of military commanders exponentially. In weapons, they minimize the need for manpower and improve maintenance and reliability.

The customs haul confirmed suspicions of Western analysts that Soviet planners were seeking Western technology not just to copy it but also to use it to manufacture more advanced Soviet micro-electronics.

Specialists were stunned by the shipment's core: two VAX 11/782 computers, the top-of-the-line model of Digital Equipment Corporation, or DEC, a Massachusetts-based company that is the world's second largest computer manufacturer.

The Western retail value of the computers was \$4.5 million, but Mr. Mueller could have expected to get at least \$15 million for them, U.S. officials said.

Since these computers are the most widely used model in the U.S. military, with applications ranging from missile guidance to satellite-transmission intercepts, their value to the Soviet Union would be many times that figure.

Another part of the shipment, eight containers in all, reached the Soviet Union early in 1983, according to U.S. officials.

Although less valuable, this eight-container shipment may save the Soviet Union as much as five years' research time and bring manufacturing economies of \$80 million annually for 10 years, according to congressional testimony by Stephen D. Bryen, deputy assistant secretary of defense responsible for technology-transfer affairs.

The whole manufacturing facility had been assembled without arousing suspicion by scores of separate orders from 50 companies in six countries.

The VAX 11/782s had been bought from DEC, which U.S. officials said was not implicated in the diversion, by a New York company that obtained a license to export them to a company secretly controlled by Mr. Mueller in South Africa.

Less powerful affiliated computers, VAX 11/780s, were bought from Norway's national armaments maker, Kongsberg Vapenfabrik. They were bought second hand and very cheaply as water-damaged goods.

Kongsberg supplied them to Deutsch Integrated Time, a Mueller-controlled front company in West Germany. A spokesman for the Norwegian company said DEC had approved the sale. DEC had a blanket marketing license in

West Germany so that no specific checks of the eventual user, which might have identified Mr. Mueller as the recipient, were required.

Optical-masking machines, used in microchip manufacture, had been obtained indirectly from France's state-owned electronics group, Thomson-CSF, which says it sold them with approval as spare parts to an import-export company in Britain, where the trail disappears.

Other equipment had been obtained in the United States, South Africa, Hong Kong and routed toward Sweden, often after journeys via Japan, Hong Kong, West Germany and other countries.

"Transport costs are no object when it comes to disguising the operation," a U.S. Customs agent said.

The whole shipment nearly got through the chase began Nov. 3, when Viktor Jacobson, U.S. Customs attaché in Bonn, got a tip, apparently from the CIA, that the apparently from the CIA, that the Mueller organization had shipped high-powered computers from South Africa for the Soviet Union.

The shipment was reported to be on board the Swedish container ship Elgaren, which was believed to be somewhere in northern European waters. But nothing could be done until the Elgaren was located.

On Nov. 8, the customs attaché in Paris found the ship. It had called at the Belgian port of Antwerp and would stop briefly the next day at Hamburg without unloading cargo. The West German authorities would need strong arguments to raise a ship in the free port, and no legal steps could be taken in any case until the Elgaren anchored in German waters the next day.

Mr. Jacobson called Washington and talked to Mr. Urbanski, who understood the problem well. His previous post had been in the Bonn embassy. In Washington, Mr. Urbanski assembled a team from the Customs and the Commerce and Justice departments.

It was an uneasy group. Commerce, engaged in a bitter turf fight with Customs for more enforcement powers, withheld information about Mr. Mueller's operations that might have strengthened the U.S. case. The resistance shown by Commerce was documented in recent Senate hearings.

Eventually, the Justice Department agreed to invoke a still unratified U.S.-West German accord to cooperate on criminal investigations.

As the Elgaren anchored off Hamburg the next day, a West German court got the formal U.S. request and rejected it for lack of evidence. But an appellate court, hastily assembled for a late-night session, issued a warrant.

Approval was adiosed to a carload of agents on the docks minutes before the Elgaren was due to sail at 10 P.M. Racing across the piers, West German agents, accompanied by Mr. Jacobson and another U.S. agent, boarded the Elgaren and seized three containers, each 20 feet long (6 meters) and 6 feet high.

When investigators opened the containers, all the evidence of a high-technology hijacking was visible. To disguise the parcels' irregular itinerary, the names and addresses of consignees had been blacked out, and the contents were labeled simply "electronic goods."

Machines had been taken apart to make them harder to recognize, and serial numbers had been filed off to prevent checks on the origin of the equipment.

The U.S. agents' jubilation quickly soured: combing the shipment's paperwork, Mr. Jacobson realized that had most of the shipment had been missed. The Elgaren had left Hamburg carrying another four containers on to Sweden.

"If we had been armed, I probably would have shot myself at that moment," a Jacobson aide said.

Mr. Jacobson, now serving his third tour in the Bonn embassy and

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## Sudan Orders Stocks Of Alcohol Destroyed

United Press International

**KHARTOUM, Sudan**—President Gaafar Nimeiri has ordered the destruction of \$8.4 million worth of alcoholic beverages under Sudan's new Islamic laws, the Sudan News Agency reported.

It said Saturday that the order applied to 169,667 cases in warehouses at Port Sudan on the Red Sea, much of which belonged to foreign embassies and state-owned duty-free shops. Sudan introduced Islamic-law last September.

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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## No Plunge Into the Gulf

The war in the Gulf, already a tremendous burden on the combatants, is getting yet more dangerous to others with a stake in the region's stability. A desperate Iraq has been attacking international shipping in order to scare the West into intervening and somehow ending the war. Tankers of Kuwait and Saudi Arabia, Iraq's two principal financial backers, have been attacked by planes identified as Iran's. All this aggravates the threat to the flow of oil and further disconcerts the Arab states around the Gulf. It also brings nearer the question of whether the United States will be called on to honor its pledges to keep the Gulf open and, specifically, to ensure Saudi Arabia's security.

For Washington the ironies of the war are many. On the conventional merits, the United States might well favor Iran. Iraq was the original aggressor almost four years ago, and Iraq initiated the tactic of shooting up Gulf shipping. But an appraisal of its political interests has disposed Washington to tilt — so far only politically — toward Iraq. For all of Baghdad's failings in American eyes, the regime in Tehran is the one that took the American hostages and saw to the killing of the marines in Lebanon and now poses a revolutionary threat to America's Arab friends.

Notwithstanding the alarms, however, the time has not yet arrived for the United States to advance to a military role. No one has come up with a good idea for arranging a settlement; perhaps no one will as long as Ayatollah Khomeini and Saddam Hussein, who have totally committed their prestige to the war, remain in power. But no one has come up with a good idea for a contained effective military inter-

vention, either, and there is a general awareness of the quantum leap that even a tentative great-power involvement could mean.

As frightened as they are of Iran's arms and ideas, the Arabs of the Gulf hesitate to call in American aid and thereby seem to validate the ayatollah's depiction of them as American puppets. They also wonder what manner of aid they could count on, when the Reagan administration itself is uncertain and when the possibility of U.S. military action in the Gulf is an issue in the presidential campaign.

The United States, then, has good reason to stick with its current policy of providing political reassurances and diplomatic offices but not military cover. Certainly Americans cannot be more forward in the defense of Saudi Arabia than are the Saudis, who have chosen to deal with attacks on their shipping not by using their immense supply of modern American arms (arms far superior to Iran's) but by familiar Saudi tactics of diplomatic indirection and evasion. Nor could any Gulf state expect U.S. aid without openly requesting it and without providing the facilities or whatever to make it effective. Britain and France, on behalf of European oil consumers, would have to be up-front partners in any military enterprise.

President Reagan came a cropper in his limited military intervention in Lebanon. We assume he does not need to be reminded that an intervention in the Gulf would be infinitely riskier. The use of American power in the Gulf cannot be absolutely ruled out, but the discussion of the circumstances in which it might be right and necessary is only beginning.

—THE WASHINGTON POST.

## In Pakistan, One Example

It is a sad, appalling reality that in much of the world governments kidnap with impunity. In the euphemistic state of martial "law," people vanish, sometimes for months, sometimes forever. The roster of victims is as coldly anonymous as the phone book. One such victim is Raza Kazim, a lawyer presumed to be somewhere in the jails of Pakistan. His case is notable only because it is so routine.

Mr. Kazim, in his mid-30s, has specialized in international commercial law. He lived with his wife and children in Lahore; one son is a student at the University of Notre Dame in Indiana. He has never been charged with crime or conviction, but was held for a few months in 1981 when an Urdu-language journal he edited carried articles critical of martial law. On Jan. 9 of this year Mr. Kazim was shoved into what looked like a military jeep. His frantic wife went to the Sub-Martial Law Administration to find out what happened. Nobody knew, but she was told that Inter-Services Military Intelligence might know; it was obliged to report any arrest within 24 hours. Under martial law, however, people can be held indefinitely without "arrest."

Hours later came a telephone call from Mr.

Kazim. He could not say where he was, or with whom or why, but his family should surrender his passport and briefcase when an official called. The officer who came the next day refused to discuss the case.

Mr. Kazim's friends abroad tried to help. By month's end, the human rights division of the U.S. State Department had called an inquiry and one of its officials had raised the case on a visit to Islamabad. President Zia's regime made no response. Mr. Kazim's family was allowed one visit in April. Legally he remains a nonperson, his alleged crimes unspecified.

Pakistan has adopted the United Declaration of Human Rights, which promises everyone "life, liberty and security of person." It gets \$339 million a year in U.S. aid under a law that bars aid to any country "which engages in a consistent pattern of gross violations of internationally recognized human rights." General Zia's excuse for martial law is the usual one: the danger of political violence. But who can judge what danger Mr. Kazim poses if his government refuses even to acknowledge his arrest? Not only people have disappeared in Pakistan. The rule of law has, too.

—THE NEW YORK TIMES.

## Other Opinion

### The Gulf Viewed From Tokyo

It has been established that Iran is not capable of closing the Strait of Hormuz. But should shipowners stop sending tankers into the area, no matter how small the danger of attack, the strait in effect would be closed. Fortunately there is a glut of oil on the world market. We do not, therefore, need to worry so much about the conflict, unless oil-consuming countries panic over rises in spot-market oil prices. Western nations should not be hasty in response to Iran's strategy but should instead carefully watch the situation as it develops.

—The Daily Yomiuri.

Reports have it that oil companies have decided to suspend loading operations and that tankers and freighters have been ordered to leave the Gulf as soon as possible. But there is no need to panic — for a number of good reasons. Major consuming countries have sufficient stockpiles of petroleum both at the official and private levels. Both OPEC and non-OPEC countries have considerable excess capacity. Even if the Strait of Hormuz were to be blocked, the crisis could be managed through increased production elsewhere.

—The Japan Times.

The futile war has escalated to a more critical stage. Saudi Arabia and other Gulf Cooperation Council nations [should] persuade Iraq to end its attacks on tankers, and also take steps to bring about peace. So far the Japanese oil industry has calmly watched developments, and we support this attitude.

—The Mainichi Daily News.

### For an 'Opening to the World'

To believe that we must isolate ourselves from the capitalist world in order to maintain proletarian purity, and to believe that only then will we construct a spiritual civilization, is a totally un-Marxist view. We must improve and make the most of the positive influence that opening to the world can bring to the construction of our spiritual civilization.

—The People's Daily (Beijing).

**This American Jew Protest**

As an American Jew, I am emotionally tortured by the reaction — rather, the non-reaction — to what happened after four Palestinian teenagers hijacked an Israeli bus (last month). I don't know which to condemn more vigorously: Israeli brutality or American Jewish complicity by silence.

At no point did the Palestinians harm anyone on the bus — hardly the manner of "brutal terrorists." Yet Israeli soldiers stormed the bus, killing one passenger and at least two of the Palestinians. Within hours, the Israelis applied their policy of collective punishment, destroying the hijackers' family homes in Gaza. A short time later the authorities reported that all four were dead.

Some American Jewish organizations have claimed all along that they are different — that they are fair, that they are not simply apologists for Israel or cowards in the face of community pressures. Where are they?

—Mark A. Brucinsky, a former Washington associate of the World Jewish Congress, writing in the Los Angeles Times.

## FROM OUR MAY 21 PAGES, 75 AND 50 YEARS AGO

### 1909: Decade of the Dreadnought

**LONDON** — The future historian of the twentieth century, in seeking the title for a chapter dealing with the first decade, can scarcely decide on a better one than "The Dreadnought Era." The name of the battleship which Britain put afloat in 1906 and completed in record time has not only become attached to a policy in this country, but it has been accepted by all the great Powers as something more than a colloquial expression of a definite school of naval thought. The Dreadnought as a type of war vessel represents what Commander Sims described as the "all-big-gun, one-calibre battleship, of high speed, large displacement and gun power." "Super-Dreadnoughts" are being evolved. The Dreadnought dominates the political situation.

### 1934: Big Fire Threatened Chicago

**CHICAGO** — The gamut smoke-blackened walls and still-smoldering skeletons of buildings supposedly fireproof are mute reminders of the fire which began in the Union Stock Yards late in the afternoon of May 19, swept through 42 square blocks of the South Side during the night, threatened the entire city for a time as it got out of control, and destroyed part of the most important meat-packing center in America with a loss estimated as high as \$25,000,000. The fire, which raged beyond the control of more than 3,000 firemen for nearly five hours, was the most disastrous in Chicago since the great fire of 1871 and one of the worst in the history of the United States. Nearly 2,000 persons are homeless; more than 100 major buildings are in ruins.

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# The Kremlin's Old Men Are Overdoing It

By Flora Lewis

**WASHINGTON** — The Russians have delivered their message. It is loud and clear. They are very angry with the administration, not necessarily just with President Reagan, and they will not talk to the U.S. government until it "does" something to prove goodwill.

The required deeds are not clearly defined, but Moscow keeps saying that words will not be enough. Meanwhile it is firing a barrage of invective that comes near matching the vivid Cold War imagery that was used when Americans were routinely called "running dogs of Wall Street" and "henchmen of capitalism."

This time capitalists are not the target. The one set of Americans definitely not on the receiving end of the campaign is businessmen, with whom the Russians remain eager to talk about trade. It is policymakers, and U.S. policy in general, that the Kremlin is denouncing with a stentorian voice that must realize its provocation.

Since Hitler's Reich, Tass said, "no government has interfered so persistently, openly and brazenly in the internal affairs of sovereign states as has the Reagan administration, utilizing all means at its disposal, including military force, to press for overthrow of lawful governments."

This from the gentlemen who were America's allies in the closing years of Hitler's Reich, and who have since given the world invasions of Hunga-

ry, Czechoslovakia and Afghanistan, and forced a self-invasion of Poland, not to speak of other interventions. Their doctrine proclaims the inevitable triumph of communism and the overthrow of all non-Communist governments, lawful or not.

Obviously they are going much too far if their aim is really to tell the United States that they want more normal relations in a world that has to make room for two superpowers. Granted, Mr. Reagan's rhetoric has been offensive, incontinent, un diplomatic. The Russians do not have a global monopoly on nasty slurs.

But they must surely know that their penulいた will not force a withdrawal of American missiles from Europe, or one-sided disarmament, or even an apology. Why are they persisting with such violence after having made their point? Why do they deprive themselves of the pleasure and pride of Olympic gold medals — and oblige their dependent states to do the same, for all the world to see how sovereign is a Soviet ally — for the meager satisfaction of poking a finger in America's eye?

The point they keep trying to make is, in effect: You can't talk to the Soviet Union this way, you can't treat the Soviet Union this way and expect to get away with it.

Three major themes recur. One is the normal psychological response to humiliating taunts: raising the level of insult. One is a grievance, a charge that U.S. arms programs are seeking to make Soviet military investments "obsolete" and a complaint that trade curbs amount to economic warfare. And one seems to be a fear that America's goal is not just to compete with the Soviet system but to destroy it, and remodel the world by America's lights to American advantage.

It is very hard to tell how much of this is propaganda and how much reflects a real sense of vulnerability. It seems ludicrous to hear a senior Soviet official who is supposed to know a lot about the United States say that America has a "master plan" to overwhelm the Soviet Union. When I heard that, I had trouble not laughing at this echo of the American cry that "the Russians are coming."

But it was not meant as a joke. If logic is any guide, as this shows deep uncertainty and bewilderment in the Kremlin. A group of old men have found themselves in a bad spot and don't know what to do.

Their diplomacy, focused for several years on preventing installation of medium-range American missiles in Europe, has failed. Their economy is in a mess. And while the capitalist world is experiencing the pangs of "inner contradictions" that the Rus-

sians' Marxist faith assures them will destroy us, their centrally planned system has not been a protection from world recession. The dependent states are restive, and there are threatening conflicts in the world beyond their power to control.

Within their own ruling apparatus, great hopes had been building for years that a time of reform was coming, a time of renewal, adjustment, a new spirit of growth after a generation of congealed society. Now, after two successions, those hopes have been deferred again. No internal movement is in sight. The transition to a new era has yet to begin.

The impression given is of an authoritarian regime adrift without its accustomed authority, without a clear idea of which direction to take, without a sense of conviction about how to seek safety. In the circumstances, Moscow's reflex is to dig in and make fierce noises in hopes of scaring away what dangers may lurk.

The problem for the rest of the world is that these uneasy men wield a vast power of destruction. Their uncertainty and their fears, real or imagined, could drive them to reactions that threaten everyone. It is a time for calm, steady nerves and sober sense from the rest of us. If Moscow is having apoplexy, it is all the more urgent to be sensible and prudent, and not to respond in kind.

The New York Times.

## Apartheid: Expensive for South Africa

By Jack Foisie

**JOHANNESBURG** — There have been signs recently that apartheid is becoming too expensive for South Africa. Among the signs: a flurry of reports by government commissions, a five-year study financed by the Carnegie Foundation, and the national budget for 1984-85.

It is probably costs, more than black unrest or political and economic pressure from abroad, that is spurring Prime Minister P. W. Botha to moderate the racial laws as fast as he thinks the white population will stand for it.

The new budget, submitted to Parliament at the end of March by Finance Minister Owen Horwood, shows that it will cost about \$1.5 billion to support the 10 black "homelands" in the year ahead. By law, most blacks must live in the homelands if they are not employed by "whites elsewhere in the country. Overall the budget amounts to about \$24 billion, so the \$1.5 billion for the homelands is a significant share. Many white taxpayers resent it.

Originally the homelands program was intended to provide black tribes with independent states where they could have a measure of self-government and become economically self-sufficient. The thinking was that support from white

taxpayers would steadily diminish and eventually end. It has not worked out that way.

The rules of only four of the 10 homelands have been chosen to become independent. The others insist on retaining South African citizenship for themselves and their people, and they demand a voice in a unified black-white government.

None of the four territories that have become fully self-governing have achieved anything close to economic independence. The Botha government has offered extravagant incentives to domestic and foreign interests to build factories in the homelands, but nothing has been done that would provide enough jobs for the people.

The underlying problem is that these areas, although vaguely laid out to conform with historical tribal hunting grounds, are only 13 percent of South African territory, while blacks are 72 percent of the population. The homelands are grossly overcrowded — their population has more than doubled in 20 years — and there is no longer room for many people to continue with the traditional subsistence farming.

As a result, according to the Carnegie study, as many as 1.4 million people in the homelands are destitute. Food must be brought in from South Africa or these people will starve.

The urban blacks, estimated to number 6 million, require no such heavy outlay of public money. They work in the white cities and their labor is needed to maintain and expand South Africa's industrialized economy. Still, the government is put to considerable expense because, under apartheid, these people must live in ghetto-like communities some distance from where they work. To transport them between their homes and their work places, the government heavily subsidizes bus companies.

As South Africa's industrial base expands, the need for better educated and technically skilled blacks grows. The 4.5 million whites can no longer fill all the supervisory and middle-management positions that are opening up. So the government must undertake a great catch-up program to prepare blacks for these jobs. This year's budget brings a 23-percent increase in funds allocated to education, some of it for white schools but a larger share for improved facilities and more teachers in black schools.

Black urban growth is allowed to continue but is being controlled. There is still widespread fear among officials in the all-white government that to allow too many blacks in the cities would be to sow the seeds of revolution. The control, authorized under a network of laws, is administered by an army of police and civil servants, and this is another budget item charged to apartheid. The estimated cost this year: \$3 billion.

The influx of black workers has created a serious housing shortage. By some estimates, providing proper family housing in the black townships would cost \$1 billion a year for 10

years. Scarcely \$100 million is allocated for new housing in black areas this year.

It was the shortage of black housing that precipitated Mr. Botha's first break with fundamental apartheid policy. First urban blacks are no longer being regarded as "temporary sojourners," and the old white hope that all blacks would eventually be living in the homelands is acknowledged to be unreasonable. For the first time, blacks may now in effect buy, rather than merely rent, government-built houses in the black townships. Mr. Botha cannot quite bring his government to authorize free-hold rights for blacks, but they are being allowed to acquire 99-year leases that are both transferable and renewable.

To reduce the cost of black schooling, free education for all races in government schools is likely to become a thing of the past. It would be unrealistic to make only blacks pay tuition, so all races will have to pay, and this is unsettling to whites. Black parents will probably pay less, but given lower incomes, the sacrifice may be greater. No real solution for making the homelands truly independent is in sight. Study groups continue to look for ways to reduce support to the homelands, but the homelands are still dumping grounds for unemployed urban blacks, and blacks in the cities are kept to the minimum number required to support the economy.

Los Angeles Times.

## The Root Objection

IT IS not necessary for a white South African to be evil or odious to want to prevent his country from being governed by representatives of primitive peoples. In the long run, nothing that the whites can do, one suspects, will prevent the blacks from winning power. Even so, the whites are engaged upon an entirely justifiable delaying action. Nobody ought to want to see a black-ruled South Africa until the black middle class is much bigger than it is today.

But the white insistence on making color an absolute bar to citizenship does make it very difficult for civilized opinion to avoid excessive condemnation. It is monstrous to define foreigners in such a way as to create and legitimize unbridgeable gulfs within the human race.

God made them black. All other national differences are created by history, and one can imagine them fading away eventually as mutual tolerance and understanding spread. But one cannot imagine black men becoming white, or vice versa, and if the black race really is inferior, then it must be concluded that the greatest injustice of all has been perpetrated not by man but by God. That is the blasphemy to which the logic of apartheid points, which is why those who proclaim that doctrine are so particularly repugnant to the Christian conscience.

—Peregrine Worsthorne, writing in the Sunday Telegraph (London).

## How Does Nice Reagan Last? With Simple Answers

By James Reston

**WASHINGTON** — There seems to be no end to the criticism leveled against President Reagan these days, but little evidence so far that it is reducing his chances of re-election. How could this be? Many explanations have been offered, the main one being that he is a nice guy and has been lucky in his opponents.

In general, if you listen to the pollsters, the American people distrust the Russians, to put it mildly; don't think much of Walter Mondale, Gary Hart or Jesse Jackson; don't like the press, a noisy and noisy bunch who keep saying that the president's ability is not up to his popularity.

Leaving the excessive criticisms of the Russians and the Democrats aside, there is a view from neighbors and allies that is worth considering.

The prime minister of Canada has been going around the world lately suggesting that the conflict between Washington and Moscow is getting out of hand. And President Miguel de la Madrid of Mexico was in Washington the other day saying, with the utmost courtesy but with candor, that Mr. Reagan's militaristic policy in Central America was a mistake and a potential disaster.

"We are convinced," the Mexican president told a joint meeting of Congress, "that the Central American conflict is a result of the economic deficiencies, political backwardness and social injustices that have afflicted the countries of this area. We therefore cannot accept its becoming part of the East-West confrontation."

Congress listened and applauded politely but Mr. Reagan disagreed, and he lectured Mr. de la Madrid on the importance of taking military action against the Communist threat in the hemisphere. So far as anybody could judge, U.S. public opinion sided with President Reagan.

Mr. Reagan's personality seems to

overwhelm his record. The last time he ran for the presidency, his age was an issue. He brushed it off, promising to submit to physical tests if there was any question of failing mental powers. Four years later, now the oldest president in American history, he said the other day that he would not submit to such tests.

The White House announced last week that Captain Walter Kamek, who took part in the president's latest medical checkup, had said that the president was in "very exceptional physical condition."

All this was accepted with relief, but it raises the question of how public opinion is made in an era of television, public relations and political calculations by computers.

It even raises the more awkward question — which the Founding Fathers discussed at great length — of whether democracy meant that a majority of the people was always to be trusted. They thought not, which was why they established a federal government with power divided among the states and the executive, legislative and judicial branches.

Some of the other reasons why Ronald Reagan endures are fairly clear. He stands for something — in his case, for standing up to the Russians and for questioning the assumptions of the welfare state.

Then, when his policies don't

work, he retreats, as in Lebanon and on the budget, and blames his compromises on his opponents. In his view, all America's problems abroad are the fault of the Russians, and all America's "policies and deficits at home are the fault of the Democrats."

Why do the people swallow this baloney? Because they like baloney. Why do they distrust the press? Because they don't really like the complicated facts that are their. They hate ambiguity and they long for simplicity, which Mr. Reagan gives them with a wave and a smile.

The philosophers recognized this tendency in the people long before

the days of television. Aldous Huxley wrote in a remarkably modern little book, "Ends and Means":

"Certainty is profoundly comforting, and hatred pays a high dividend in emotional excitement. . . . The human mind has an invincible tendency to reduce the diverse to the identical. . . . We shall never succeed in changing our age of iron into an age of gold until we give up our ambition to find a single cause for all our ills."

Here is at least one reason why Ronald Reagan keeps ahead of the game: not only because he is an amiable and optimistic man, lucky in his enemies, but because he makes things seem simpler than they really are.

The New York Times.

## LETTERS TO THE EDITOR

### Banca d'Italia: Rigorous

I have read with interest the article "Central Bank: Fighting Free Spenders" in the May 14 special report on banking and finance in Italy. On the whole it provides a fair picture of the Bank of Italy's activity, but in some aspects it is not entirely accurate.

It was the rigorous attitude of the Bank of Italy that led the government to place before Parliament the question of whether the Treasury should be granted a special advance, as Governor Carlo Azeglio Ciampi made clear in his concluding remarks to the bank's shareholders at a meeting on May 31, 1983: "The government's decision to place the matter of the Treasury's excessive overdrafts on its current account with the central bank before Parliament was the institutionally proper course of action. By this means the representatives of the community at large were made aware of the serious imbalance between the

amount of funds to be disbursed and the amount of funds available."

PAOLO GNES, Chief of Secretariat, Bank of Italy, Rome.

### Bus-Bombs: Pretending?

Daily Arab sabotage and terror activities against Israel and Israelis are common and unfortunately are not always brought to the knowledge of the public. Although terror should be fought with terror, Israel is a democratic country and does not tolerate or advocate terror. Indiscriminate killing of civilians is not the Jewish way, nor is it the way of the Jewish religion or the way of Gush Emunim.

The speculation is that those who planted the bombs on April 27 under six Arab buses in East Jerusalem and West Bank suburbs leaked the news to the Israeli police because they did not want the bombs to explode. All they wanted was to warn

## Washington Is Changing The Rules

By Stephen Rosenfeld

**WASHINGTON** — It is commonly said that Soviet-U.S. relations are the worst in years. The Russians do what they can to encourage Americans to think along those lines — to help drive Ronald Reagan from office. But "worst"? Currently there is no diplomatic progress, and practically no diplomatic action. But there is no evident danger — at least danger of the crisis variety — either.

Former Secretary of State Cyrus Vance said in February that not only was little serious diplomatic business likely to be done in 1984, but "the months ahead will be marked by tension and danger." Tension, yes. Danger is different. In Lebanon, the period of the Reagan administration's intense involvement, needed without East-West incident. In Central America, Washington is one step removed and Moscow two or three steps removed from any direct encounter.

A high figure in the administration pointed out to me last week that Richard Nixon was bombing a Hanoi harbor full of Soviet ships while he put the finishing touches on SALT-1. It was at the peak of détente in 1973 that the United States went on nuclear alert in response to Soviet moves during the Middle East war.

His point was that détente was a time of danger. As for today, he went on, beneath the rhetoric Mr. Reagan has brought relative calm and predictability. The Soviets realize their limits in regional conflicts. Greater wars come from escalating great-power crises, of which there are none.

The president has added a personal stamp to his administration's regular reassurances that relations with the Russians are not so bad. While the strategic balance holds, he said in his May 9 speech on Central American policy, "we can count on the basic prudence of the Soviet leaders." Addressing the suggestion that the United States is in "imminent danger of war," he replied, "We are not."

I accept that the missile crisis of 1962 dramatized to the great powers the need for "basic prudence." It is provocative to suggest that there is an "imminent danger of war."

Still, a peculiar danger is widely felt. To an extraordinary extent a lot of Americans live in a symbolic world where it comes to nuclear matters. Not content to observe the basic erasing crises are being tended, and that both sides think seriously of how to reduce the chances of war by accident or miscalculation, we imagine that war could ignite out of the particular qualities in the head of an errant president: Ronald Reagan in a crisis might hang too tough.

In conversations, I find many who feel that war is more likely to come from the American side than from the Soviet side. To feel this way can impose a triple burden: the weight of the fear of war, the weight of suspecting that one's own president could be at fault, the weight of worrying about being used by the Soviets.

I am speaking of mainstream people, not the sort in the "peace movement" who tend to say truly hysterical and false things about Ronald Reagan's ostensible propensity for nuclear holocaust. Anxiety has hardened into fatalism and mind-closing dogmatism, verging on demagoguery, in some of those quarters.

In any event, the avoidance of nuclear war, always the first priority, is no longer enough. Twenty-odd years of Soviet-American striving have schooled many of us to demand evidence of progress or at least earnest effort in arms control. It is a mark against Mr. Reagan that he could not conduct his overall policy so as to sustain an active negotiation, or even to meet his Soviet counterparts, as previous presidents managed to do under conditions no less stressful.

The Russians have not changed their nature; President Reagan has changed the rules. He has added a brand of anti-Communist "rhetoric" that cannot be explained away as mere words but must be seen as a challenge to the place in the world that Soviet rulers have spent 60 years attempting to secure. It is backed up by his "rearmament" program.

This is what has got to the Kremlin crowd. One could see it in Georgi Arbatov, the Politburo adviser, a smoothie, who has been making the Washington rounds. Beneath the calculated dishonesty and bullying of so much of the Soviet comment, a hint of panic glimmers. It is not to the American advantage.

The Soviets understand America poorly in many particulars, but they read Mr. Reagan's basic thrust correctly. Mr. Reagan sees the alarm and anger on the Soviet side and incorrectly takes them as a sign that his pressure is working. This is the special sense in which Soviet-American relations are the worst in years.

The Washington Post.

## At Least They Turned Up

Regarding the opinion column "On Politics, Pasta and Water Polo" (May 11) by George F. Will:

If the American athletes were indeed unaware that in 1896 the Greeks were still using the Julian calendar, they should have arrived 11 days too early, and not 11 days late, the Julian calendar being 11 days behind our present-day Gregorian calendar.

B.R. van der STEENHOVEN, Luxembourg.



Washington  
Is Changing  
The Rule

## Occupations At Citroën Set to End

Government Backs Union  
On Opposition to Firings

By Axel Krause  
International Herald Tribune

PARIS — Workers striking at Citroën auto plants in the Paris area have agreed to end occupations and to return to their jobs on Monday and Tuesday, following a compromise over job security between union leaders and Pierre Bérégovoy, the minister of social affairs.

The workers, led by the Communist-dominated General Confederation of Labor, or CGT, voted on Saturday to accept the agreement and to end their occupation of four of the plants.

The occupations began May 11 at Aulnay-sous-Bois and spread to plants at Levallois-Perret, Nanterre and Asnières. A strike also affected a Citroën plant at Saint-Ouen. The actions had been called to protest dismissals.

The agreement, which was proposed by Mr. Bérégovoy, avoided a decision on whether to send riot police to enforce court orders last week that workers leave the plants. In January, the government sent police to a Talbot auto plant in Poissy, west of Paris, to evict about 100 strikers. Production had been stopped there for about a month.

The agreement also called on Citroën to drop its plans to fire 2,937 workers at the plants, as part of its plan to cut its 43,000-member workforce by about 6,000.

The negotiations in the work force and in hours worked at Citroën, a division of the Peugeot SA automobile group, will be negotiated over the next three months by representatives of the government, the unions and the company, government and union sources said.

The government's goal was to achieve the 6,000 layoffs through early retirements, attrition and by financing the return to their native countries of immigrant workers, who account for about 70 percent of the work force at the plants.

At Mr. Bérégovoy's suggestion, the government also will subsidize retaining of laid-off auto workers and open talks with Citroën for reducing the numbers of hours worked at its plants. At present, the average workweek at the plants is 38½ hours long.

According to Le Journal du Dimanche, a Paris Sunday newspaper, the government is considering paying the company 1,000 to 1,500 francs (\$118 to \$176) per hour per worker for each hourly reduction.

A spokesman for the company said that the government's opposition to the dismissals would establish "a very serious situation" for the company. He said that the government's opposition would be "a very serious situation" for the company.

Mr. Calvet, while reportedly relieved that company plants will resume operations, is known to be hostile to any plan to reduce working time at plants of the Peugeot group, whose divisions manufacture a wide range of automobiles and utility vehicles.

A highly sensitive issue is the government's proposal to reduce the number of hours worked in the auto industry, where the average workweek is 39 hours.

The French Democratic Labor Confederation, or CFTC, which actively supported the Citroën strikes and has close ties to the government, has repeatedly urged the adoption of a 35-hour week.

Railroad workers plan demonstrations in favor of work time reductions starting Monday and will extend them throughout the week, union leaders said.

Yvon Gattaz, chairman of the French National Employers' Confederation, said that "we are totally and irreducibly opposed to a uniform and obligatory reduction in working time. We do not want the 35 hours if they are imposed by law, and if they lead to increased business costs."

Speaking in an interview Friday in Le Figaro, a rightist Paris daily, Mr. Gattaz said that a national debate over the 35-hour week was "essential and vital."

But he emphasized that France averaged 1,630 hours, the lowest number of working hours per year among major industrialized nations. That compares with 1,690 hours in West Germany, 1,750 hours in Britain, 1,870 hours in the United States, and 2,100 hours in Japan, Mr. Gattaz said.



Willy Brandt, Social Democratic chairman, and Helmut Schmidt, a former chancellor, at the party congress.

## W. German Opposition Affirms NATO Loyalty

By James M. Markham  
New York Times Service

ESSEN, West Germany — The opposition Social Democratic Party has affirmed its loyalty to the Atlantic alliance but has urged a strategy that would renounce the first use of nuclear weapons and prevent a buildup of conventional arms.

Six months after rejecting the stationing of U.S. medium-range missiles, the Social Democrats tried at a party congress here Saturday to counter accusations that they had weakened links to the North Atlantic Treaty Organization, insisting that West Germany was "politically and militarily bound" to the alliance and the European Community.

But, in a day of sometimes contradictory pledges, the delegates also blamed the United States for East-West tension and adopted resolutions that would commit the West German military establishment and NATO to a passive posture that would "not be capable of attacking" the Warsaw Pact.

Steered by a leadership determined to avoid a party split, the debate on foreign and security policy muffled a number of echoes from the past. The 440 delegates perfunctorily affirmed opposition to the deployment of Pershing-2 missiles in West Germany, but adopted no new resolutions aimed at mobilizing popular protests.

In a speech, Egon Bahr, one of the party's military experts, did not repeat the warnings he made last autumn that the missile deployment would provoke demonstrations. But he sounded another familiar theme, subtly laying heavier blame on the United States than the Soviet Union for the tense international situation.

"If Washington does not change its behavior," he said, "there will be no negotiations, but full deployment. If the West German government goes along, it will become no longer being the government after four years, this government is too weak to decide between vassaldom on the one hand and German interests and European demands on the other."

## Greece to Teach Citizens How to Love Pets, Strays

The Associated Press

ATHENS — The government hopes to re-educate Greeks about pets in an ambitious campaign to improve dogs' lives and protect Athenians from the thousands of hungry strays roaming the streets.

The Agriculture Ministry has announced it would step up its campaign to teach people that "an animal is not an object but a living creature requiring care and attention."

Deputy Agriculture Minister George Moraitis told Parliament that pet owners would be "further enlightened" and 12 million drachmas (\$120,000) would be spent this year on rounding up stray dogs.

People who abandon their dogs face up to six months in jail and a 10,000-drachma fine.

Animal welfare societies estimate that about 30,000 stray dogs roam Athens and its environs in search of food.

But they say Greeks are more interested in getting rid of the strays than in growing to love them.

"Greek people take a traditional, harsh and utilitarian attitude toward animals and think of them as more of a pest than a pleasure," said Costa Zotas, president of the Society for the Protection of Animals.

Many Greeks dismiss the Socialist government's new program as sentimental.

Mr. Bahr was warmly applauded by the delegates, but, on the date with him, Helmut Schmidt, the former chancellor, clapped languidly and then left the hall, missing a debate that repudiated many of the positions he defended during his eight years in power.

Without Mr. Schmidt's firm hand at the helm, the party has developed a patchwork of alliances that became apparent in the debate. Since the left wing still fixes much of the security agenda, Hans-Jochen Vogel, the party's parliamentary leader, sought the support of men like Mr. Bahr and Ehard Eppler, a leftist, to head off the demands of more extreme leftists.

In the most heated debate of the day, the Vogel-Bahr-Eppler alliance defeated a far-left attempt to get the party to favor a permanent freeze on military outlays. Instead, the delegates endorsed holding military spending at the percentage levels of 1983.

In other resolutions, the Social Democrats approved the concept of no first use of nuclear weapons, rebuffing a key element of NATO's "flexible response" strategy, and condemned a doctrine of the U.S. Army that assumes carrying the fighting behind Warsaw Pact lines if there were an attack on Western Europe.

The party also declared that there should be no increase in NATO's conventional armaments.

### Party Re-elects Brandt

Willy Brandt, a former chancellor, was re-elected Sunday as the Social Democrats' chairman by a vote of 391-19 at the party congress. The Associated Press reported in Essen. Twelve delegates abstained. Mr. Brandt, 70, has led the party for 20 years.

In a speech he appealed to the party to reach out to all parts of the political spectrum to give its way back to power. He said the party would never reach a majority if it did not win over some voters on the right.

He also criticized the Greens party, saying its refusal to work more closely with the Social Democrats has only helped the country's conservatives.

## Allies Refused Kohl On Invitation to D-Day Ceremonies in France

By John Vinocur  
New York Times Service

PARIS — Chancellor Helmut Kohl of West Germany sought, through intermediaries, to receive an invitation to the D-Day commemorative ceremonies that will bring Allied heads of state and government to France on June 6, French and American sources have reported. But they said the initiative was turned aside, and that Mr. Kohl will not participate.

The West German interest in being invited to the ceremonies was said to have been greeted by Allied officials with a mixture of surprise and discomfort, as well as a degree of sympathy for Mr. Kohl.

The ceremonies in Normandy, marking the 40th anniversary of the Allied invasion of Europe that contributed to the defeat of Hitler's Germany 11 months later, will be attended by Queen Elizabeth II, President Ronald Reagan, President François Mitterrand, Prime Minister Pierre Elliott Trudeau of Canada and thousands of veterans.

"Kohl evidently saw the commemoration as an opportunity to mark the reconciliation between the Allies and Germany," a U.S. official said. "Our position was one of not being against the idea in principle, but also one that was terribly relieved to be able to say, 'it's a French matter and they'll have to decide.'"

The French subsequently made clear, according to officials at the Elysée Palace and the Foreign Ministry, that the idea of Mr. Kohl's participation was not practical.

A French official said that the West Germans had "made saying no relatively easy" by making the inquiry at a relatively low level last month, and not directly involving Mr. Kohl or President Mitterrand. They met on Sunday for private conversations at Saarbrücken in West Germany.

Mr. Kohl, who has excellent personal relations with both Mr. Mitterrand and Mr. Reagan, was 14 years old when the war ended.

A U.S. official said the West German representations went to the French, Americans and British.

A French cabinet-level official, who asked not to be named, said

the request inspired a kind of double reaction in him: "On the one hand, there is a lot of personal sympathy here toward Kohl and his good intentions."

"But then there is history," he said. "You can't just put a fancy whipped cream topping on it. The sensitivities of many of the veterans who will be coming back for the ceremonies are still very strong and so are those of millions of people who will be watching on television around the world."

In fact, the question of inviting Mr. Kohl to France for D-Day commemorative ceremonies appeared to have immediate political considerations in France relating to elections for the European Parliament on June 17.

If the campaign has created little passion elsewhere in Europe, it is unusually hard-fought in France because the elections have taken on the character of an approval poll of the Socialist government.

The Socialists are expected to perform relatively poorly, and they appear interested in avoiding a potential dispute in the middle of the campaign.

A small German memorial ceremony for soldiers who died in the Normandy campaign is to take place June 8 at the main German cemetery in the area at La Cambre near Lisigny.

### Rallies Held in Spain To Urge NATO Pullout

Reuters

BARCELONA — About 60,000 people formed an 18-kilometer (12-mile) chain through central Barcelona on Sunday to demand Spain's withdrawal from NATO, police said.

In Cartagena, southern Spain, police fired rubber bullets and gas canisters to disperse 200 demonstrators who had attempted to march toward a military garrison. No injuries were reported. Marches against Spain's membership in the North Atlantic Treaty Organization were held in several other Spanish cities.

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Lines Zürich SBV 384

## Soviet Psychiatrist Gets State Honor

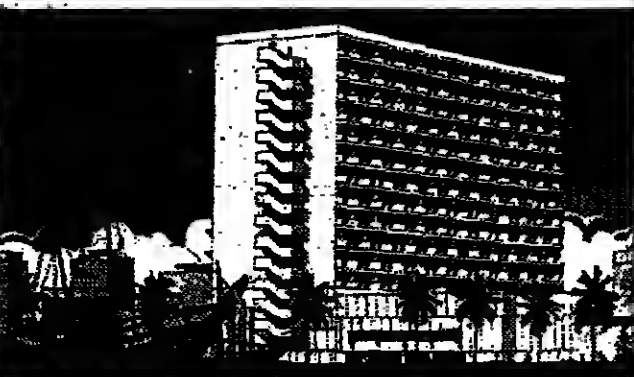
The Associated Press

MOSCOW — The Soviet Union has given its second highest award to a Soviet psychiatrist who has been accused by the World Psychiatric Association of abusing his science to punish political dissidents.

Tass news agency said Saturday that the Order of the October Revolution was awarded to Andrei V. Suezdnevsky in recognition of his work "in developing medical science, protecting the people's health and in connection with his 80th birthday."

At the 1977 meeting of the World Psychiatric Association, Dr. Suezdnevsky was accused of directing abuses of psychiatry against dissidents. He is widely believed to have developed the diagnosis of "sluggish schizophrenia" that is used in some dissident cases. A member of the Soviet Academy of Medical Sciences, he also holds the Order of Lenin.

## In Bahrain



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ONDAY, MAY 21, 1984

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EUROBONDS

Banks Enticing Investors  
By Inventing 'Ideal' Bonds

By BOB HAGERTY

International Herald Tribune

LONDON — Coasting the Belgian dentist into the bond markets these days is like pulling teeth.

For the institutional investor, however, banks are coming up with more and more varieties of "synthetic" bonds to allow the big investor to buy a floating-rate note but receive the interest at a fixed rate, often a higher one than otherwise available.

Another form of synthetic instrument lets the investor buy, say, U.S. Treasury bonds but take the proceeds in yen or Swiss francs.

If the investor's ideal sort of bond doesn't exist, a banker will try to invent it.

Such tricks rely on imagination and the latest in computer weaponry to find new arbitrage opportunities, or anomalies between prices in different markets.

"We're arbitraging the markets that have not traditionally been arbitrated," says Deryck Maughan, international product manager at Almon Brothers Inc. One kind of synthetic that is gaining in popularity is the "investor swap," or "asset-backed swap." Such swaps have been around for several years but remain obscure. They are much less common than the analogous kind of interest-rate swaps arranged by borrowers. The latter type allows one borrower to exchange its floating-rate funds for another borrower's fixed-rate funds; both obtain a lower cost of credit than would otherwise be possible, and the bank takes a fee.

The investor swap works on the same principle. Here is a simplified example:

The investor—call it Ace Insurance Co.—buys \$10 million of six-year floating-rate notes issued by a French government agency. The notes pay interest floating at 25 basis points, or hundredths of a percentage point, over the London interbank offered rate, or Libor, currently around 12.5 percent.

But Ace wants to receive a fixed rate of interest to cover some fixed-rate liabilities it expects. So, through a bank, Ace swaps its Libor-based interest payments (but not its notes) to another party, perhaps a savings and loan institution that wants floating-rate money to dance in step with its floating-rate obligations.

In return, Ace agrees to lock itself into a fixed rate of interest of, say, 14 percent semiannually over the next six years.

If interest rates shoot up, Ace will not have the consolation of floating-rate proceeds, adjusted periodically to match prevailing market rates. But Ace prefers the certainty of a fixed rate and is getting a higher yield than it could get on a straight fixed-rate bond of similar quality. On the other hand, Ace gives up a little in the way of liquidity: the synthetic is not as readily salable as most straight bonds.

The synthetic bond caters to unsatisfied demand for a rare item: the top-quality fixed-rate bond bearing an attractive yield. "Fixed-rate corporate borrowing tapers off in an environment of high rates," notes Deborah De Cotis, a swap specialist at

Eurobond Yields

For Week Ended May 16

U.S. 10-year Int'l. bond	13.56 %
U.S. 10-year Int'l. bond	13.97 %
U.S. 10-year Int'l. bond	13.97 %
U.S. 10-year Int'l. bond	13.97 %
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U.S. 10-year Int'l. bond	13.97 %

Calculated by the Luxembourg Stock Exchange

Market Turnover

For Week Ended May 18

(Billions of U.S. Dollars)

Code	1878.60	845.00	1,724.60
Estimate	18,455.50	7,113.20	1,723.20

U.S. Rival  
May Seek  
Continental

But First Chicago  
Is Not Bidding Yet

The Associated Press

CHICAGO — The holding company of Chicago's second largest bank is preparing to make a bid for its financially troubled rival, Continental Illinois National Bank & Trust Co., according to a published report.

Sources inside and outside First Chicago Corp., parent company of First National Bank of Chicago, said company officials were awaiting details of Continental's loan portfolio before taking further steps, the Chicago Tribune reported in its Sunday edition.

It reported that the officials wanted to learn what kind of long-term support they would get from federal regulators if they acquired all or a part of Continental, the seventh largest U.S. bank.

"We are not presently preparing a bid," First Chicago's chairman, Barry Sullivan, said in a statement commenting on the report. Reuters reported from Chicago.

[But he did not rule out an eventual bid. "Any final decision to do so would have to await further study to assess fully the pros and cons of the issues," he said.]

David G. Taylor, Continental's chairman, said Thursday that the bank would consider a merger with one of the world's 50 largest banks.

He said at a news conference that Continental had received a package of loans and lines of credit from banks and the Federal Deposit Insurance Corp. totaling about \$7.5 billion, the largest bailout in U.S. banking history.

The company reportedly suffered a run on deposits last week that reached \$3 billion a day.

There was some speculation that Continental might emerge from its financial crisis as the partner of a major foreign bank.

British banking sources said Friday they had heard no talk of interest there in a possible takeover or merger with Continental. A London banker, who asked not to be identified, said Continental is not an inviting prospect because of Illinois' restrictive banking laws, which prohibit branch banking.

Is I.B.M.'s Junior Aimed  
At a Market That Is Too  
Small?



Analysts Differ  
On How PCjr  
Went Wrong

By David E. Sanger

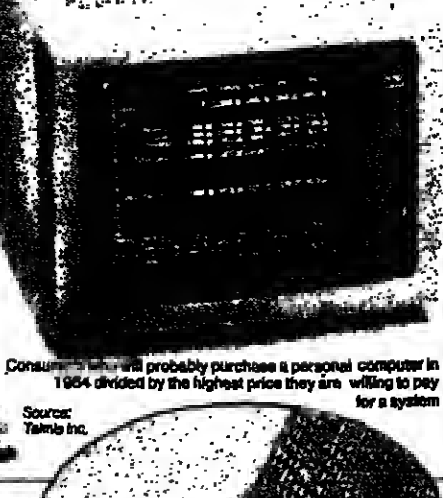
New York Times Service

NEW YORK — So how did IBM's Peanut go wrong?

In the computer industry, explanations abound for why sales of IBM's smallest computer, the PCjr, are off to a disappointing start. But one theory gaining particular currency holds that IBM's marketing strategy was flawed from the start.

According to this theory, IBM, by pricing the PCjr from \$800 to \$1,600, depending on options, greatly misjudged the size of the market niche it was entering.

These analysts say that the PCjr is proving much too expensive for casual home users, but, at the same time, is not nearly powerful enough for



The New York Times

Consumer who will probably purchase a personal computer in 1984 divided by the highest price they are willing to pay for a system

Source: Survey by

Source: Survey by

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U.S., Japan Near  
Pact to Give Yen  
A World Role

By Hobart Rowen

Washington Post Service

ROME — The United States and Japan are on the verge of signing a major agreement that would open up Japanese capital markets and lead to the internationalization of the yen, according to top U.S. and Japanese officials.

Treasury Secretary Donald T. Regan told reporters on Saturday that a formal announcement could be made this week, "within a fortnight" at the latest, if the final document meets his approval and that of the Japanese finance minister, Noboru Takeshita.

The internationalization of the yen would mean that Japanese money would be freely available as a trading currency to pay for foreign goods, and would be held by other countries in their own national reserves.

By creating a greater demand for the yen, its value would rise, reducing the advantage Japanese companies now get from a cheaper yen that makes Japanese goods less expensive in relation to the dollar on the world's trading markets.

The U.S. dollar is the currency most widely used in trade. To a smaller extent, an international role is also played by the Deutsche mark.

The Reagan administration has been pressing Japan to take steps to allow U.S. and other foreign banks to do business in Japan, and to make other changes in its regulations reflecting Japan's status as the No. 2 economic power in the noncommunist world.

Japanese sources in Rome expressed optimism on prospects for an agreement, saying they had already agreed to allow U.S. banks to operate more freely, to give banks and other institutions easier access to long-term funds in Japan, and to broaden the European currency market, which would allow bonds to be sold in yen denominations in Europe and elsewhere and make the Japanese currency more easily available.

On April 17, when the Treasury undersecretary, Beryl W. Sprinkel, announced progress on these ques-

tions and said additional talks would be held in Rome with the Japanese vice minister of finance, Tomomitsu Oba, the main sticking point was that Japan had not agreed to what Mr. Sprinkel called "a truly free European market."

But since then, talks in Tokyo, Washington, Hawaii, and last week at a meeting of the Organization for Economic Cooperation and Development in Paris, have brought the two sides much closer together, sources said.

When told that a Japanese official had described progress toward an agreement on Saturday, Mr. Regan said: "He's remarkably well-informed. What else is there to say?"

Mr. Regan and other finance ministers and central bankers of major industrialized nations were in Rome to discuss ways to improve the international monetary system. However, there was little progress reported on that front.

The one-day meeting involved the Group of 10, which is nine noncommunist Western nations and Japan, and representatives of Switzerland, which recently became the 11th member of the organization.

Mr. Sprinkel and Mr. Oba are scheduled to continue talks here through Monday or Tuesday in an effort to complete the yen agreement.

Mr. Regan was cautious in discussing the negotiations. But it was clear from comments by U.S. officials that the American team feels it is close to an important compact with Japan.

The U.S. contention has long been that if the yen were internationalized, it would create a greater demand for it, and thus raise its price against other currencies.

Whether or not it does, there is general agreement among most of Japan's trading partners that it is time for Japan, given its economic power, to make it easier for foreign investors to bring money in and do business there. Japanese banks and other financial institutions for years have been allowed to invest and conduct business in Western Europe and the United States.

Dome Reports Loss, Pact on Loans

New York Times Service

NEW YORK — Dome Petroleum Ltd. has reported a loss of \$39.6 million in the first quarter, compared to earnings of \$7.2 million, or 2 cents a share, in the year-earlier quarter.

Dome also said Friday that it had reached an agreement on lenders of understanding with its lenders to reschedule \$4.44 billion of its secured debt and \$637.6 million of its unsecured debt.

This represents about 97 percent of the liabilities to be rescheduled under the company's rescheduling proposal.

Dome, which incurred its huge debt burden as a result of its completion of the acquisition of Hudson's Bay Oil & Gas Co. in 1982, said that revenue in the latest three months dropped 6 percent, to \$634.3 million, from \$674.9 million.

The company, which is based in Calgary, Alberta, said it incurred a foreign-exchange loss of \$44.8 million, both before and after deferred income taxes, in the latest three

months. It called that the primary factor in causing the substantial loss.

Other factors contributing to the poorer results were lower interest capitalized, increased depletion, depreciation and amortization and a decrease in equity earnings.

These items were largely offset by lower preferred share dividends of subsidiaries and a reduction in general and administrative expenses.

Brock Urges Summit to Weigh New Trade Talks

By Axel Krause

International Herald Tribune

PARIS — The Reagan administration's chief trade negotiator has urged that new trade liberalization negotiations be placed high on the agenda of the economic summit meeting of world leaders being held in London next month.

But William E. Brock, the U.S. trade representative, said in an interview on Friday that the prerequisite for starting a new negotiating round, possibly next year, is the successful completion of preparatory talks being held under the auspices of the General Agreement on Tariffs and Trade, the Geneva-based trade body.

The GATT talks, aimed at establishing permanent measures to ease and eventually eliminate restrictions on world industrial and agricultural trade and services, have made virtually no progress since they were started following a GATT ministerial meeting in November 1982.

Mr. Brock said, however, that he was encouraged by recent contacts with trade and finance officials from Asia and Latin America, and by the strong endorsement for beginning multilateral trade negotiations at the annual ministerial meeting of the Organization for Economic Cooperation and Development, which ended here on Friday.

"We are particularly delighted with the results here," Mr. Brock said after the OECD meeting. The final communiqué by the OECD's 24 member nations said that the Reagan administration's proposal "would be of the utmost importance to a strengthening of the lib-

eral trade system and the growth of trade opportunities." It said ministers attached "high priority" to a successful outcome of the Geneva talks.

Mr. Brock said that "we now are hopeful that progress on a new round will be moved along by leaders at the London summit. The meeting will be attended by the leaders of the United States, Britain, West Germany, France, Japan, Canada and Italy."

Mr. Brock said that preparations for a new negotiating round could begin in early 1985. "If we can get a few of the key players on board—Brazil, India and Korea, for example—we can move it," he said.

The countries cited by Mr. Brock, among others, have strongly resisted agreement on some of the central items being discussed by trade officials from GATT's 90 member nations in the Geneva meetings.

These include proposals to establish a more efficient system of safeguards, which are measures taken by governments to protect their domestic industries from what they consider unfair imports.

The GATT talks have also focused on measures to reduce and eventually eliminate farm subsidies and to liberalize trade in services, such as banking, construction, insurance and shipping, which account for well over \$350 billion, or 20 percent, of world trade.

The Reagan administration, Britain, and to a lesser degree other European Community countries, have said that trade in services, like trade in goods, is an engine for economic growth, and should figure strongly in any new round of

negotiations. Seven such rounds have been held under GATT auspices since World War II.

Support for Mr. Brock's proposal was given during the OECD meeting by Sir Geoffrey Howe, Britain's foreign minister, who is helping to host the summit meeting on June 7-9, OECD and administration sources said.

Administration officials preparing the summit have said that they also expect discussion on the international debt problem, deteriorating U.S.-Soviet relations, and the Middle East, but they did not expect new agreements to emerge.

Mr. Brock also said in the interview that "he was encouraged by recent decisions of the European Community to reform the Common Agricultural Policy, which included limiting subsidized dairy production."

He also indicated that he did not expect immediate action regarding the EC's stated intention about limiting imports of U.S. central subsidies, notably corn gluten, which the U.S. administration has vigorously opposed.

Plans to merge the U.S. trade representative office and trade functions of the Commerce Department into a single agency have stalled, and the issue most likely will not be resolved until after the November presidential election.

Although he considers estimates of a \$100-billion trade deficit this year to be conservative, Mr. Brock said he was encouraged by a surge of exports during the first quarter, which rose 10.2 percent from a year earlier. Imports rose 38 percent, pushing the first quarter merchandise trade deficit to \$25.8 billion.

He said GM is "investigating a variety of joint ventures" that could expand its reach into the computer and "machine intelligence" industries. The source said GM's purpose is twofold: to diversify into non-automotive lines, and to enhance the development of futuristic products, such as GM's proposed subcompact Saturn car.

EDS has a worldwide payroll of 14,000 people. The company had sales of \$651.6 million last year, a 28-percent increase over revenue of \$510 million in 1982.

EDS had a net income of \$58.7 million, or 32 cents a share, in 1983. That was about a 25-percent increase over the \$47 million, or 30 cents a share, earned by EDS in the previous year.

GM has been in an acquisitive mood, largely because of a current reserve of \$9 billion in cash and marketable securities, according to Wall Street analysts.

That reserve could grow to \$12 billion by the end of the calendar year, said David Healy, an analyst with Drexel Burnham Lambert Inc. "GM is running out of things to do with its money in the auto business. They've been thinking about trying to diversify," Mr. Healy said.

However, Mr. Healy and others believe GM could get a two-for-one gain with the acquisition of EDS. The data processing company would allow GM to branch out into information services. But it could also speed up GM's internal drive for "computer compatibility," the analysts said.

An auto industry source familiar with GM said Friday that an acquisition of EDS would fit into the

New Issue  
This announcement appears as a matter of record only.  
May 1984

National Westminster Finance B.V.  
(Incorporated in The Netherlands with limited liability)

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Junior Guaranteed FRNs  
Guaranteed on a junior subordinated basis as to payment of principal and interest by

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(Incorporated in England with limited liability)

U.S. \$300,000,000 of which have been issued as the Initial Tranche

Country Bank Limited

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Charterhouse Japhet plc  
Citicorp Capital Markets Group  
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Standardbank Enkanta Limited  
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Prices may vary according to market conditions and other factors.

[illegible][illegible]

**For the Week Ending May 18, 1984**

[illegible]

7.17	7.43	9.74
7.30	7.80	9.74
8.54	8.44	8.60
8.41	8.31	8.48
9.51	8.40	8.45
9.23	9.18	9.49
9.33	9.29	9.49
9.35	9.29	9.58
9.35	9.29	9.58
9.35	9.48	9.58
9.77	9.71	10.04
9.81	9.77	10.14
10.00	9.96	10.37
9.98	9.94	10.36
10.06	10.00	10.46
10.03	9.97	10.44
10.05	9.99	10.48
10.34	9.98	10.47
10.17	10.11	10.66
10.20	10.14	10.71
10.21	10.15	10.71

10.48	10.42	11.27
10.57	10.48	11.40
10.56	10.52	11.51
10.59	10.57	11.64

Federal Reserve Bank.

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\$4.50 ASK U.S. \$5.00  
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SECURITIES B.V.  
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1017 BT AMSTERDAM  
TELEPHONE: (020) 26 25 21  
TELEX: 15284 (TOWER NL)

**Closing Prices May 18, 1964**

[illegible]



## NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coup. %	Yield Price of offer	Price and week	Terms
<b>DATING RATE NOTES</b>						
London's Bay	\$ 50	1989	1/4	100	—	Over 6-month Libor. No minimum coupon. Borrower is entitled to 6-month schedule to draw full amount. First maturity will be 5 years after closed drawdown. Redeemable at par on any interest payment date. Private placement.
one	\$ 50	1994	1/4	100	—	Over 6-month Libor. Minimum coupon 5%. Redeemable at par in 1991, and callable at par in 1995. Commissions 10%.
<b>FIXED-COUPON</b>						
World Bank	DM 100	1989	8	—	—	Price not disclosed. Private placement.
NCF	ECU 45	1994	11 1/4	99 1/2	11.34	First callable at 100% in 1991.
new Zealand	¥15,000	1990	open	open	—	Coupon indicated of 7 1/2%. Noncallable. Terms to be set May 22.
<b>EQUITY-LINKED</b>						
tec	\$ 50	1999	open	100	—	Semiannual coupon indicated at 3%. Noncallable. Convertible at a 5% premium. Terms to be set May 22.
oyal Company	\$ 40	1999	3	100	3	Semiannually. Callable at 100 in 1989. Convertible at 200 yen, at a 4.25% premium. Exchange rate set at 222.24 yen per dollar.

## Invented Bonds Enticing Investors

(Continued from Page 9)

organ Stanley International in London. In the United States, for example, the total of fixed-rate bonds issued by corporations has topped an average of \$1.79 billion a month so far this year from \$1.59 billion a month in the first half of 1983, according to Salomon Brothers.

That decline in supply means that a top-rated U.S. corporation can borrow at or below the rate on U.S. Treasury paper. Such low yields make some big investors, when possible, to a higher-yielding synthetic of similar quality.

The demand for investor swaps comes from insurance companies and other institutional investors, bankers say. Few individuals are

rich or sophisticated enough to take part. "Your basic minimum chip is \$5 million or \$10 million," a British swap specialist says.

Also gaining popularity, bankers say, is the "currency-hedged bond." In this sort of synthetic, the investor buys, say, a U.S. government bond but arranges to receive all of his interest and the maturity payment in yen or another currency expected to appreciate against the dollar.

The investor could settle for dollar payments and hedge the currency risk by buying insurance in the forward or currency option markets. But he may prefer to have his bank roll the bond purchase and hedging into one neat package.

The package is attractive, of course, only when the cost of hedging

the currency risk is less than the gain in yield from buying, in this case, a U.S. government bond rather than Japanese government paper.

In general, the gains produced by creating synthetic bonds tend to get eroded, or "arbitraged out," as more and more investors move in and bid up the prices. But bankers say differences in withholding taxes, exchange controls and regulations on what kind of paper various institutions can hold will always create profitable anomalies.

For bankers, though, are willing to chat about how they spot those anomalies, price the synthetic bonds and find buyers for them. "Not everyone has figured out how to do these things yet," a swap expert explains.

## Analysts Differ on Slow PCjr Sales

(Continued from Page 9)

meets to point to a significant and growing potential for a personal computer with PCjr's combination of capabilities and price." And some analysts point to the continued strength of rival Apple Computer's mainstay, the IIe, which now sells for \$895 and up.

For those reasons, many analysts and other explanations for IBM's troubles. Some contend that it failed to address a problem that lags the entire industry: convincing the public that a home computer is truly useful. More than few suggest that IBM's fear of undercutting its more profitable personal Computer led it into design errors, including an awkward keyboard and limited memory.

Still others believe that competition and image have a lot to do with IBM's PCjr sales.

According to Egon Juliusen, president of Future Computing Inc., a Richardson, Texas, market research firm, consumers associate IBM with offices, and the company failed to make it clear enough that the PCjr was designed for the home. And PCjr has suffered, many say, when compared with two flashy new Apple machines, the Macintosh and the portable Apple IIc.

"The PCjr has no pizzazz; it's subordinate to the Personal Computer," said David Kay, vice president of Kaypro, a portable computer maker. "It doesn't stand up too well against the Apples, which have independent identities and some interesting technology."

However, few analysts, if any, are prepared to dismiss the computer giant's entry in the home-computer field.

"IBM is committed to making this a success," said Robert T. Fertig, president of Enterprise Information Systems, a Connecticut consulting group. He speculates that IBM is embarrassed by its troubles in a highly visible, financially insignificant, part of its business. "I would be shocked if they didn't do something about it in the next few weeks," he said.

Even after the chaos and disaster in the home computer industry last year, IBM was considered the least likely to make a misstep. Even before details of the PCjr were released last fall, its prospects captivated the entire industry. Experts were boldly predicting that the war was over, and that IBM was the winner.

"They won't be able to make their first enough," one analyst said. "No sooner was the PCjr first shipped in late January, however, than reports started trickling in from retailers that consumers were passing it by to purchase competing models, usually Apples. John R. O'Neil, IBM's chairman, acknowledged two weeks ago that the PCjr "has not been as successful as I would like" and promised to do something about it.

For its part, IBM says it has been the victim of uninformed industry rumors.

"There is considerable misinformation being circulated about the PCjr," the company said in a statement responding to several speculations recently. And the most dangerous is that IBM deliberately introduced a limited market.

"The PCjr has no design limitations," the company said, noting,

that the PCjr and the more expensive PC share the same microprocessor, the heart of a personal computer.

However, what the machines are designed to do and how they are currently equipped are two separate questions. And many believe that within weeks, IBM will announce major changes in the PCjr's standard equipment that will make it more like its bigger brother.

First to change, many predict, will be the PCjr's small keyboard, whose hard rubber keys have been disparagingly compared to pieces of Chiquita chewing gum. Senior IBM officials continue to defend it, saying it was never intended for heavy-duty typing. But many people accustomed to a standard typewriter keyboard are put off by its feel and appearance.

Also likely to improve is the size of the computer's internal memory, which now is limited to 128,000 bytes, or characters. That is too small to run many of the most popular business programs, including Lotus Development Corp.'s 1-2-3 financial spreadsheet. Being able to run such programs is critical to executives who want to work at home after dinner, using programs and data they prepared earlier in the day on Personal Computers in the office.

Many expect the company will also lower the price.

Even after a price cut, however, IBM has an image problem to overcome. It sports neither the Apple II's portability, nor the Macintosh's innovative "mouse," or pointing device, and ability to handle many documents simultaneously.

## Fed's Policymakers Won't Tighten Credit, Analysts Believe

By John M. Berry  
Washington Post Service

WASHINGTON — Turbulent conditions in financial markets and the solvency crisis at Continental Illinois Bank & Trust Co. will keep Federal Reserve policymakers from tightening credit conditions when they meet Monday, financial analysts believe.

"Until the Continental thing blew up, I thought there was an ever chance they would tighten again because the economy just won't quit," said John C. Warren, senior vice president of the Shawmut Bank of Boston. "Now I'd put it at 1 percent."

If analysts such as Mr. Warren are right, there could be a respite

## U.S. CREDIT MARKETS

from the steady stream of interest rate increases about which the White House and Treasury Secretary Donald T. Regan complained so bitterly two weeks ago. In fact, rates might come down somewhat.

Federal Reserve lending to Continental Illinois has already helped lower the important federal funds rate, which had been close to 11 percent, to about 9 percent. The loans effectively increased the level of reserves in the banking system, lowering the federal funds rate, which is the rate banks charge one another for loans of reserves.

Analysts expect the Fed to "drain" the added reserves from the system in coming days. However, they also think the Fed will try to keep markets calm by holding the federal funds rate generally

## U.S. Consumer Rates

For Week Ended May 18

Passbook Savings	5.50 %
Tax-Exempt Bonds	10.24 %
Money Market Funds	9.50 %
Domestic 7-Day Average	9.50 %
Bank Money Market Accounts	9.25 %
Bank Rate Money Index	9.25 %
Home Mortgages	14.11 %
FHLB Average	14.11 %

closer to 10 percent than 11 percent.

"The market is awash with liquidity right now because of the Continental loans," said an official of a major New York government securities dealer. "The market has adjusted itself to an 11 percent funds rate. Now you could see most rates come down a bit."

The Fed's policymaking group, the Federal Open Market Committee, which is to meet Monday and Tuesday, is also acutely conscious of the potential impact of higher interest rates on nation's such as Brazil and Mexico. The bulk of those nations' debt is owed to banks and the interest payments float upward as rates rise.

Top Federal Reserve officials have said repeatedly in the past that they cannot allow such international considerations to determine domestic monetary policy. Nevertheless, because of the deep involvement of U.S. banks and the potential impact of their having to declare additional foreign loans in default, the international situation could produce major domestic complications.

At a conference on international monetary affairs held in Bretton Woods, New Hampshire, over the

weekend, a MIT economist, Rudiger Dornbusch, said that the Fed chairman, Paul Volcker, was attempting to avoid this international constraint on domestic monetary policy by proposing that a "cap" be placed on the interest rates the borrowing nations have to pay — much as caps are placed on changes in rates homeowners pay when they have adjustable rate mortgages.

"Volcker must expect some more rate increases. Why else is he talking about a cap," Mr. Dornbusch said.

The next percentage point increase in the prime, or base, lending rate, which has already gone up to 12 1/2 percent from 11 percent this year, will add \$800 million to Brazil's interest rate bill this year, he added.

But the principal considerations on the table for the FOMC will be Continental and the pace of U.S. economic growth.

The Commerce Department last week revised upward its estimate of first-quarter gross national product to show an 8.5 percent rate of rise instead of the 8.3 percent reported earlier. And more recent data on employment, industrial production and retail sales indicate that the economy was still growing quite strongly as the current quarter began.

Fed officials are concerned that such strong growth, if continued for very long, will cause inflation to accelerate. In particular, they are worried about the sharp increases in total debt, with the federal government, businesses and households all stepping up their borrowing.

## AT&amp;T Sets New Long-Distance Rates

The Associated Press

WASHINGTON — American Telephone & Telegraph Co. has submitted new long-distance telephone rate schedules to federal regulators, setting the stage for an across-the-board, 6.1-percent rate reduction this week.

Complying with the terms of a decision May 10 by the Federal Communications Commission, the company on Friday filed new tariffs stating that it would reduce its interstate long-distance, WATS and international calling rates at 12:01 A.M. on May 25.

The company used the filing, however, to suggest that the FCC might want to delay the reduction in international calling rates until this autumn and to clarify its new procedures for handling long-distance information calls.

AT&T said it was prepared to

reduce its international rates by 6.1 percent, as ordered by the FCC. But it asked the agency to defer the reduction because of the need to negotiate new settlement rates with foreign governments.

AT&T also said that it was planning to restructure its entire international telephone rate schedule this fall and would prefer to handle the rate reduction at that time.

An AT&T spokesman said he could not elaborate on the company's plans for restructuring overseas rates.

As for the information calls, AT&T noted that the FCC's decision would allow the company to begin levying a fee for long-distance directory assistance calls for the first time. Under the new FCC rules, AT&T may charge 50 cents

for each long-distance information call after the first two each month. The spokesman said that AT&T wanted to make it clear, however, that the allowance of two free information calls per month is dependent on a customer's use of AT&T's network.

The 6.1-percent reduction in AT&T's rates is projected to save long-distance callers almost \$1.8 billion over the next year.

## Bond Unit Warns On Tax Changes

Reuters

NICE, France — The chairman of the Association of International Bond Dealers, Damien Wigny, cautioned members about the possible negative impact proposed changes in U.S. tax laws could have on the Eurobond market.

He told the final session of the group's annual meeting that the proposed repeal of the 30 percent withholding tax on bonds sold to foreigners could be detrimental to foreign underwriting firms, particularly those which do not have U.S.-based subsidiaries.

If the changes come rapidly as some dealers expect, it "could change the primary (Eurobond) market overnight," he said. The AIBD did not issue a formal comment on the proposed U.S. tax changes. And Mr. Wigny said he did not know exactly where the group should stand on the issue.

## Dassault's Profit Rose 10% in '83

Reuters

HANNOVER — Aviation-Marc Dassault-Breguet Aviation increased its profit by about 10 percent last year to about 400 million francs (\$47 million), the company's president, Bruno Claude Vallières, said Sunday.

He told a press conference at the international air show here that the company expects to pay a dividend of about 25 francs a share on 1983 results, a rise of 5 percent on 1982. Company figures show revenue last year rose to 13.99 billion francs, an 11-percent increase from a year earlier.

Mr. Vallières said the company had unveiled a new business jet, the Mystere-Falcon 900, that it expects to start delivering to customers in the second half of 1985. Production will then run at about 3 1/2 planes a month.

## BANQUE LIBANO-FRANÇAISE (France)

The General Shareholders Meeting of BANQUE LIBANO-FRANÇAISE (FRANCE) was held on April 25th, 1984, under the chairmanship of Mr. Gilles DOUBREIRE.

It approved the accounts for financial year 1983 which, after depreciation provisions and taxes, showed a net profit of F.F.10.3 millions against F.F.15.2 millions for financial year 1982.

As at 31.12.83, the balance sheet total was F.F.5,298 millions and contingent liabilities were F.F.1,570 millions against respectively F.F.4,485 millions and F.F.1,593 millions as at 31.12.82.

It was decided to appropriate F.F.6.5 millions to the Bank's legal and general reserves and distribute the sum of F.F.4 millions to shareholders, representing a net dividend of F.F.10 per share and giving a tax credit of F.F.5.

After appropriation of results and distribution, the capital of BANQUE LIBANO-FRANÇAISE (FRANCE), including subordinated loans, amounted to F.F.170.6 millions.

The Meeting was informed of the nomination of Mr. Bernard VERNHES as permanent representative of BANQUE INDOSUEZ, Director.

## PHILIPPINES Fifth Highway Project

## BRIDGE AND ROAD CONSTRUCTION

The Government of the Philippines is applying for a World Bank loan to cover anticipated foreign exchange costs of the proposed Fifth Highway Project, while local currency cost will be met from Government funds.

The Government of the Philippines (Ministry of Public Works and Highway) invites interested contractors to apply for prequalification documents in connection with the proposed tendering of approximately 85 kilometers of national road (Baguio-Bontoc Road), located in mountainous terrain in Luzon, and approximately 400 bridge structures with total span of about 9,000 meters (including approximately 100 reinforced box culverts with total span of about 1,000 meters) located along national highways nationwide. Road approaches to the 400 bridge structures are also included in the work.

The Baguio-Bontoc Road project will be covered by 3 contracts. The total preliminary estimated cost is 200 million pesos and the anticipated value of individual contracts varies between 40 and 100 million pesos.

The bridge reconstruction program is a four-year construction program from 1985 thru 1988, and will be divided into approximately 50 construction contracts with preliminary estimated values ranging from 5 to 20 million pesos each. Bidding will be held in the fourth quarter of each year for the following year's program.

Interested contractors for the 3 Baguio-Bontoc Road contracts and for 12 contracts comprising the 1985 bridge reconstruction program are scheduled to be issued to prequalified contractors in July or August, 1984 with construction to start in January or February, 1985. Suitably experienced contractors who wish to be prequalified for any part of the above described work may obtain prequalification documents by forwarding their name and address to the Honorable Minister, Ministry of Public Works and Highway, at the following address not later than 30 May, 1984.

The Honorable Minister, Ministry of Public Works and Highway,  
2nd Street, Port Area, Manila, Philippines  
Attention: The Project Director, 1985 Projects Office

May, 1984

FLUID COMPONENTS HOLDINGS INC.,  
an affiliate of Founders Ventures, Inc.  
has acquired the  
business of  
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## Asian Development Bank

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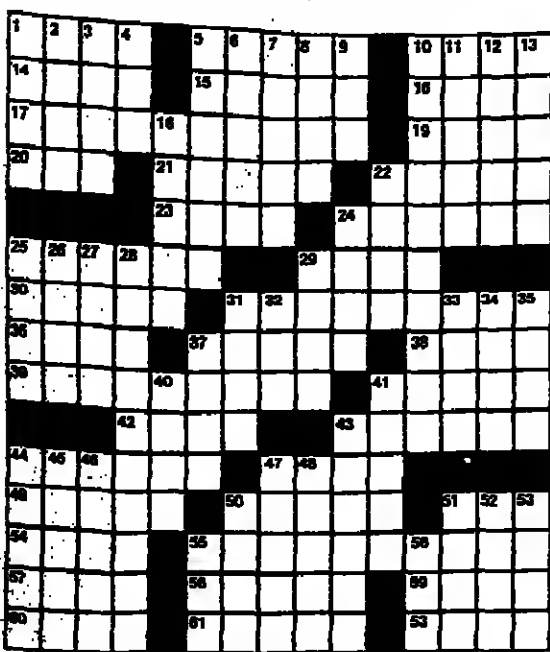
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**ACROSS**

1 Edge  
5 Cow catcher  
10 Tilt  
14 Orderly  
15 Fall bloomer  
16 Hip  
17 Christmas-tree decoration  
19 Sheltered arcade in Athens  
20 Turn to the right  
21 Customers  
22 Older brother of Moses  
23 Broadway musical  
24 Actor Moss  
25 Deference  
29 — in a poke  
30 Roulette bets  
31 Delicate flowers  
36 Pealed  
37 Lead  
38 She gets what she wants  
39 Dietrich vehicle, with "The"  
41 Stately  
42 Mineral  
43 Comb. form  
44 Small, flat seed  
47 Pure  
48 Ella

**DOWN**

1 For men only  
2 Counters offering  
3 Margin  
4 Color  
5 Glaswegian  
6 Pale  
7 Gaze  
8 Cinco follower  
9 Hockey great  
10 Second city of the U.S.  
11 Emcee's function  
12 Kind of pigeon  
13 — fro  
18 Bellows  
22 Seed covering  
24 Mimic

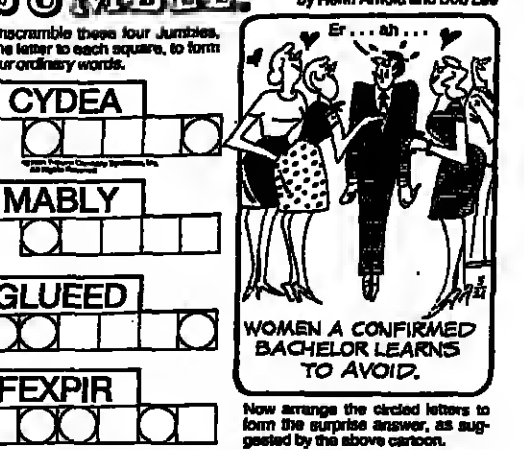
49 Wants  
50 Hawk's home  
51 Short, as in a poker game  
54 Italian commune  
55 White, spongy confections  
57 Salt Lake City team  
58 Silly  
59 Progenitor  
60 Does a lawn job  
61 Kind of race  
62 Receptive top billing  
63 Prefix for date or room  
64 Islets  
65 Viola's ancestor  
66 Le Carré character  
67 Annual visitor  
68 Must  
69 Licit  
70 Place of combat  
71 Bancroft or Satter  
72 Burlesque shirk  
73 First lady on Olympus  
74 Belgian river  
75 Simpleton

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## DENNIS THE MENACE



## JUMBLE



Answer: "CYDEA" (Answer tomorrow)  
Friday's Jumble: BUILT MANGY JOVIAL TRYING  
Answer: Could this be why he was a jilted? — "ROBIN"

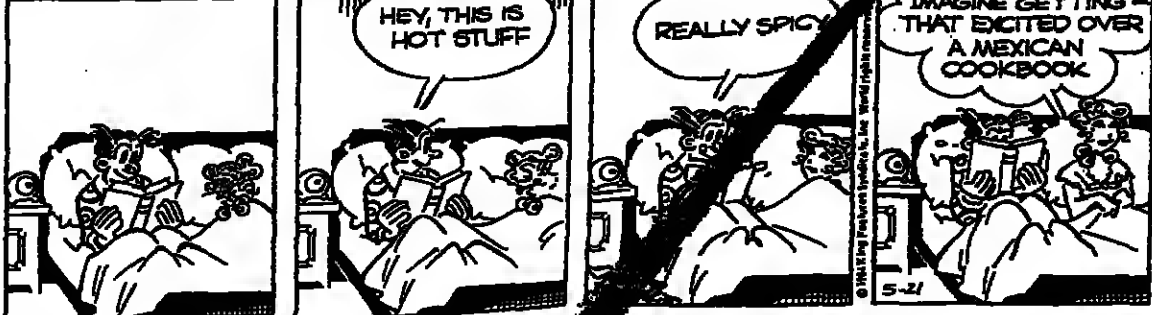
## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	17	12	Beijing	21	15
Athens	24	17	Bombay	28	22
Berlin	20	14	Hong Kong	28	22
Bombay	28	22	Manila	28	22
Buenos Aires	20	14	New Delhi	28	22
Calcutta	28	22	Sao Paulo	28	22
Cardenas	20	14	Shanghai	28	22
Caracas	28	22	Singapore	28	22
Cebu	28	22	Tokyo	28	22
Colon	28	22			
Dallas	28	22			
Delhi	28	22			
Denver	28	22			
Frankfurt	28	22			
Geneva	28	22			
Helsinki	28	22			
Istanbul	28	22			
Los Angeles	28	22			
London	28	22			
Madras	28	22			
Moscow	28	22			
Mumbai	28	22			
Nice	28	22			
Osaka	28	22			
Paris	28	22			
Peking	28	22			
Rangoon	28	22			
San Francisco	28	22			
Seattle	28	22			
Shanghai	28	22			
Singapore	28	22			
Sourabaya	28	22			
Taipei	28	22			
Tokyo	28	22			
Yokohama	28	22			

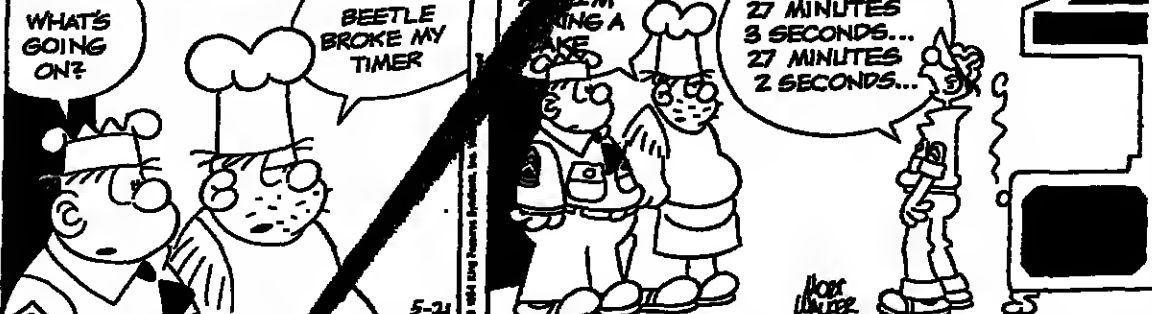
## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



## REX MORGAN



## GARFIELD



## SPORTS BRIEFS

## FIFA Names Italy to Host 1990 World Cup

ZURICH (AP) — Italy will host the 1990 soccer World Cup, the International Federation of Football Associations (FIFA) announced here Saturday. The Soviet Union was the only other country to bid for the event. Italy, which won its third World Cup title in 1982, last staged the tournament in 1934.

Stadiums for the 1990 matches: Olympic and Flaminio, Rome; Municipale, Turin; Marassi, Genoa; Meazza, Milan; Bentegodi, Verona; Friuli, Udine; Comunale, Bologna; Comunale, Florence; Del Duca, Ascoli; Curi, Perugia; San Paolo, Naples; Comunale, Bari; San'Elia, Cagliari and Favorita, Palermo.

FIFA also announced that matches for the 1986 World Cup in Mexico will be played in 12 stadiums, with the June 29 final in Mexico City's Azteca Stadium. The tournament will begin May 31 with two matches a day being played during the first round. Kickoffs will be at 11 A.M. and 3 P.M. local time. Besides the capital, matches will be played in Guadalajara, Monterrey, Toluca, Leon and Puebla.

## Gomez Beats Krickstein for Italian Crown

ROME (AP) — Andres Gomez of Ecuador won the Italian Open tennis tournament here Sunday, defeating Aaron Krickstein of the United States, 2-6, 6-1, 6-2, 6-2, in a wind-misted final.

In a semifinal match Saturday, Gomez rolled past Jose-Luis Clerc of Argentina, 6-3, 6-2. In the other semifinal, Krickstein crushed Diego Perez of Uruguay, 6-4, 6-0. (Krickstein had downed Francesco Cancellotti of Italy, 6-4, 6-0, in a quarterfinal encounter late Friday.)

Krickstein, at 16 the youngest finalist ever here, was no match for Gomez, who won his second Italian title. The American won the first set in 28 minutes, but Gomez, ranked seventh worldwide, dominated from then on. Gusting winds churned up clouds of clay, disturbing the players' vision throughout the match.

## Stewart Is 2-Stroke Leader in Colonial Golf

FORT WORTH, Texas (UPI) — Payne Stewart shot a 6-under-par 64 to take a two-stroke lead over Peter Jacobsen after Saturday's third round of the Colonial National Invitation golf tournament. Stewart had the second straight day's low score (he shot a 66 on Friday); his three-round total is 12-under 198.

Jacobson followed his opening 64 with a 71, but shot a 65 Saturday. Gil Morgan, whose 67 on Friday had given him a one-shot lead over Stewart at the midway point, had a third-round 70 for a 203. Tom Kite, in fourth, has a 70-69-67-70.

## For the Record

Kwon Sun-choon successfully defended his International Boxing Federation flyweight against Ian Clyde of Canada with a unanimous decision Saturday in a 15-round title bout in Tagajon, South Korea. Japanese judge Norio Higasa scored the bout 150-136. Semen Tina of the Philippines had it 150-124 and South Korean Kim Jae-kun saw it 149-136. (AP)

Romana beat Scotland, the Five Nations champion, 28-22, in a rugby union test match in Bucharest Sunday. The Scots led at halftime, 16-9. In Moscow, France beat the Soviet Union, 33-3. (UPI)

Marvelous Marvin Hagler, the undisputed middleweight champion, has postponed his July 20 title fight in Las Vegas with Mustafa Hamsho until the fall. A new date has not been set. Hagler knocked out Hamsho in the 11th round on Oct. 3, 1981, to retain his title. (UPI)

## Pena and McWilliams Lead Pirates' Rout of Braves

PITTSBURGH — Tony Pena hit a grand-slam home run and Larry McWilliams pitched a routing Sunday as the Pittsburgh Pirates routed the Atlanta Braves here Friday night.

With Pittsburgh leading, 2-0, McWilliams (1-3) led off the eighth inning with a single and moved to

land combined on a two-hitter as Philadelphia's nipped the Giants, 1-0. Bystrom (1-1) allowed both hits during his seven innings of work. Holland recorded his eighth save of the year.

Expos 5, Dodgers 4  
In Los Angeles, Gary Carter singled home Bryan Little with two out in the 11th to make Montreal a 5-4 victor over the Dodgers. Greg Harris, the last of six Expo pitchers, preserved the victory for Andy McCaligan (3-2).

## FRIDAY BASEBALL

second on Marvell Wynne's infield single. Two outs later, Johnny Ray singled to lead the bases and knock out reliever Jeff Dedmon. Pena hit Gene Garber's first pitch into the left-field seats for his sixth homer of the year and second career grand slam.

McWilliams struck out six, walked two and was aided by three double plays. The beneficiary of only four runs in his last three decisions, he had not won since last Sept. 20.

Cardinals 5, Reds 3  
In St. Louis, Tommy Herr and Lonnie Smith each hit a home run and George Hendrick added a two-run double to pace the Cardinals' 5-3 decision over Cincinnati.

Cubs 7, Astros 6  
In Chicago, pinch hitter Gary Woods drew a two-out, bases-loaded walk in the ninth to cap a two-run rally that lifted the Cubs past Houston, 7-6. The winners' Leon Durham drove in four runs with a double, homer and sacrifice fly.

Padres 4, Mets 4  
In San Diego, Garry Templeton singled home two runs to cap a three-run fourth and Rich Gossage notched his 10th save in leading the Padres over New York, 4-3.

Phillies 1, Giants 0  
In San Francisco, Juan Samuel tripled home a seventh-inning run and Marty Bystrom and Al Hol-

## THE WITCHES OF EASTWICK

By John Updike. 307 pp. \$15.95.  
Alfred A. Knopf, 201 East 50th St., New York, N.Y. 10022.

Reviewed by  
Christopher Lehmann-Haupt

THE joke in John Updike's dazzling new novel — or is it a joke? — is that Alexandra, Jane and Sukie are witches. As their husbands faded away, they formed a coven and began to work their mischievous magic. At the opening of "The Witches of Eastwick," they learn that a stranger with hairy hands is about the routing mission by the beach and is buying up shop as an alchemist. They contrive to join him in his machinations. Evil is loosed upon their tiny Rhode Island hamlet.

Or as the all-knowing narrator puts it at the end of the second of the novel's three chapters, called "The Coven," "Malefica" and "Guilt": "Certainly the fact of witchcraft hung in the consciousness of Eastwick; a lump, a cloudy density generated by a thousand translucent overlays, a sort of heavenly body, it was rarely breathed of and, though dreadful, offered the consolation of completeness, of rounding out the picture, like the gas mains underneath Oak Street and the television aerials scraping Kojak and Pepsi commercials out of the sky."

The narrative continues: "It had the uncertain outlines of something seen through a shower door and was viscid, slow to evaporate: for years after the events graphically and even reluctantly related here, the rumble of witchcraft stained this corner of Rhode Island, so that a prickliness of embarrassment and unease entered the atmosphere with the most innocent mention of Eastwick."

Is Updike fooling us with a tale that he in fact relates most enthusiastically and deftly? Some readers won't be amused to see resurrected here a phenomenon that must surely stand among human history's most violent manifestations of misogyny.

Nor does Updike spare feminists the needle. "One's inner weather always bore a relation to the outer," he writes of Alexandra as she walks along the beach and prepares to visit a thunderstorm upon tormenters she believes have

## Solution to Friday's Puzzle

SPRAYS	GASKET
STEARLUP	AMPULE
CREMONA	SEALERS
RIP	PARDONS
APIS	STEEL
PENTA	STEEL
ERGATE	INSISTED
STURGEONS	
GATHERER	STARES
ALIEN	CAS
PANS	MOTEL
EMK	REVERES
RELEASE	AGITATE
DENIER	PALATES
ADDLES	ELOPED

called her a hag. "It was simply a question of reversing the current, which occurred easily once power had been assigned to the primary pole, oneself as a woman."

"So many of Alexandra's remarkable powers had flowed from this mere reappropriation of her assigned self, achieved not until mid-life," the lesson continues. "Not until mid-life did she truly believe that she had a right to exist, that the forces of nature had created her not as an afterthought and companion — a bent rib, as the infamous Maltese Maleficarum had it — but as the mainstay of the continuing Creation, as the daughter of a daughter and a woman whose daughters in turn would bear daughters."

Moreover murder, suicide and death by cancer result from this fooling around with charms and spells. And the whole brew is several times offered as a metaphor for the evil outwashed in the United States in the 1960s.

As one character muses upon witnessing insects flying out of the mouth of a Unitarian minister delivering a sermon against evil: "Perhaps some of the large wasps, like those nuclear scientists cooking up the atomic bomb to beat Hitler and Tojo and now so remorseful, like Eisenhower refusing to sign the treaty with Ho Chi Minh that would have ended all the trouble, like the late-summer wildflowers, goldenrod and Queen Anne's lace, now loosed from dormant seeds upon the stony fallow fields where once black slaves had opened the gates for galloping squires in swallowtail coats and top hats of beaver and felt."

I still say Updike is kidding. After all, the metaphor alluded to here is pretty vague. After all, one could argue that just as much as he is needling the feminists, Updike is exploring a contemporary perspective to understand earlier history. For New England's present and past are brilliantly interwoven in this narrative, and people once persecuted for practicing witchcraft can plausibly be understood as having asserted female independence in a culture that couldn't tolerate it.

Anyway, the real evil in the story is perpetrated by the vividly drawn devil-character of Darryl Van Horne, the rich interloper from New York who seems to stand for everything inimical to New England culture. It is he who tries to reveal the ugliness of God's creation with his tour de force of a sermon on the tapestries and other parasites. "You got to picture that Big Visage leaning down and smiling through its beard while those fabulous fingers with their angelic manicure fiddled with the last fine-tuning of old Schistocoma's ventral sucker: that's Creation. Now I ask you, isn't that pretty terrible? Couldn't you have done better, given the resources? I sure as hell could have. So vote for me next time, O.K.?" Amen.

I say the premise of "The Witches of Eastwick" is all in fun, but serious fun. Because even if the witches aren't responsible for what's gone wrong with small-town contemporary New England culture, they offer Updike a metaphor with which he has brought that culture wittily and radiantly to life.

Christopher Lehmann-Haupt is on the staff of The New York Times.

## BRIDGE

By Alan Truscott

THE contract was six no-trump after bidding that is not on record; clearly six hearts would be a superior contract.

NORTH	WEST	EAST	SOUTH
AK332	AK332	AK332	AK332
Q7	Q7	Q7	Q7
A10	A10	A10	A10
AK332	AK332	AK332	AK332
Q7	Q7	Q7	Q7
A10	A10	A10	A10
AK332	AK332	AK332	AK332
Q7	Q7	Q7	Q7
A10	A10	A10	A10

West made an odd lead of the diamond nine, which did the defense no harm, thanks to

the singleton ace in dummy. A double-dummy line for South, after winning, was to finesse the club nine. This, combined with a heart finesse, would produce 11 tricks, and a squeeze in diamonds and spades for the 12th.

But South naturally started with the heart finesse, and after playing all dummy's honors won the third round of the suit with the ace. She then cashed the diamond king and led the jack. This forced West to win and lead a black suit in this position.

There was no escape for West. He chose to lead the spade ten, and South won in her hand with the jack. She

then took the top spades, the heart nine and the diamond ten to squeeze West and make the slam.

NORTH (D)  
AK332  
QJ7  
A  
AK332  
SOUTH  
AK332  
QJ7  
A  
AK332  
QJ7  
A  
AK332

Friday after missing the first 33 games with torn knee ligaments, had two singles and a double, drew a walk and scored the losers' only run. Dave Stewart won his second straight after an 0-6 start.

Kadams 8, Brewers 4  
In Milwaukee, Andre Thornton's grand slam capped a five-run seventh that powered Cleveland past the Brewers, 8-4. Thornton had a third-inning single for the 1,000th hit of his career.

Rangers 2, Royals 1  
In Kansas City, Missouri, Gary Ward's two-run eighth-inning homer gave Texas a 2-1 decision over the Royals and spoiled George Brett's 1984 debut. Brett, activated

Friday after missing the first 33 games with torn knee ligaments, had two singles and a double, drew a walk and scored the losers' only run. Dave Stewart won his second straight after an 0-6 start.

Twins 8, Red Sox 3  
In the American League, in Minneapolis, Tim Lincecum drove in two runs with a home run and single and Tom Brunansky delivered a bases-loaded double in Minnesota's 8-3 verdict over Boston. Winner Mike Smithson (6-3) gave up six hits, walked one and struck out five in going the distance. Jim Rice homered for Boston.

Blue Jays 4, White Sox 3  
In Toronto, Dave Collins doubled in the deciding run with two out in the sixth and Damaso Garcia went 3-for-5 with an RBI and two stolen bases as the Blue Jays edged Chicago, 4-3.

Orioles 4, Mariners 1  
In Baltimore, Eddie Murray hit a two-run home run and Storm Davis pitched a complete-game six-hitter to highlight the Orioles' 4-1 victory over Seattle. Davis (4-0) struck out six and walked one in outdueling Jim Beattie (3-4).

Angels 4, Yankees 3  
In New York, Doug DeCinces opened the 10th with a home run on reliever Jay Howell's first pitch to lift California past the Yankees, 4-3. In relief of starter Tommy John, Luis Sanchez (4-1) earned the victory despite giving up a two-out, two-run single by Butch Wynegar that tied the score, 3-3, in the ninth.

Tigers 8, A's 4  
In Detroit, Kirk Gibson's bases-





## SPORTS

## Oilers Win, End Islanders' Cup Reign

Compiled by Our Staff From Dispatches  
EDMONTON, Alberta — The Stanley Cup was passed from hand to hand here Saturday night, but for the first time in five years it was not passed among the members of the New York Islanders.

This time it was the Edmonton Oilers who took the cup and joyously skated around the ice after beating the defending champion Islanders, 5-2, to win the National Hockey League title series in five games.

The Oilers once again jumped on New York early, as Wayne Gretzky scored two first-period goals that forced the Islanders out of the tight-checking game they prefer. In the third night here, Edmonton outscored New York, 19-6, to put a decisive end to the Islanders' four-year reign as cup champions.

Despite their seemingly hopeless situation, the Islanders did not go down without a final flurry. Rookie Pat LaFontaine scored twice in a 22-second span in the first minute of the third period to reduce the deficit to 4-2.

Edmonton goalie Andy Moog blocked the next nine shots that came his way and the pressure was relieved for good when he was decked by Islander Pat Flatley with 3:15 left.

It was so flagrant a foul that referee Bryan Lewis, who had ignored several obvious violations, was prompted to call his only penalty of the period.

Moog, who had also been chopped down in the first period, rose after a dose of smelling salts and finished the game.

Dave Lumley completed the scoring into an empty net with 13 seconds remaining; balloons and streamers sailed onto the ice while the jubilant Oilers hugged each other.

For Gretzky it was the ultimate accomplishment. He has, at 23, done it all — won the league's most valuable player award the last five seasons, set most of the NHL's single-season scoring records, won five straight scoring titles and, now, captured a Stanley Cup winner.

When NHL President John Ziegler presented him with the cup, Gretzky embraced it.

He said later that at that instant his "first thought was a vision of Jean Beliveau with the cup after they had won it one year. It's a great feeling. I've been fortunate enough to win a lot of individual awards, but they were nothing like winning the Stanley Cup. There's no feeling like it."

Beliveau was a member of the Montreal Canadiens team that won a record five consecutive championships from 1956-60, the record the Islanders were trying to equal this season.

"In five years in the NHL, we were always hearing, 'What had we won?' Gretzky said after he had a throng of teammates in a slow skate around the ice, trophy held high.

"Well, now we've won the Stanley Cup and we'll never have to hear that again."

Edmonton center Mark Messier, although held scoreless in Game 5, earned the Conn Smythe Trophy as the most valuable player of the playoffs. He had an outstanding job checking Bryan Trottier, who recorded only one assist in the three games here.

The Islanders came out determined to play a physical game and although Lewis overlooked many fouls, foolish penalties played a big part in the outcome.

Edmonton's regular goalie, Grant Fuhr, was unable to dress because of tightness in the chest and shoulders, had Moog been knocked out of action, Edmonton would have been forced to use Mike Zambie, who never has appeared in an NHL game.

With the game scoreless in the first period, Moog was leveled from behind by Paul Boutilier, and Lewis raised his arm to signal a delayed penalty.

But Edmonton maintained possession of the puck and Jarri Kurri's headman pass sent Gretzky in on a breakaway. He beat goalie Billy Smith to the stick side at 12:08 and the Oilers were ahead to stay. "I just wanted a shot on net," Gretzky said.

It became 2-0 after Trottier carried the puck out of his own end but bumped into teammate Clark Gillies. Kurri took possession and initiated a three-on-one break, skating down the right wing and feeding Gretzky in the middle. Gretzky lifted the puck over a falling Smith for his fourth goal in two games.

New York Coach Al Arbour replaced Smith, the hero of the four cup years, with Roland Melanson at the start of the second period.

LaFontaine, who had failed to capitalize on several good chances, scooped up the puck after a shot by Flatley struck an Oiler's leg; when Moog moved out, the rookie sent the puck past him at 0:13. At 0:35 a Gillies' drive struck LaFontaine's skate and skittered past Moog to make it 4-2.

"I was just happy he didn't get a third one," said Moog, who played well Thursday as a late replacement despite the fact that his father was hospitalized with a blockage of a leg artery. "Everything came out just great," he said. "My father went home yesterday and tonight

we won the cup. I can't really explain it. I've never won anything in my life."

So for the first time since 1979, the hockey world has a new champion.

And it was a victory of speed and finesse over strength: Edmonton combines fast skating and swirling offensive patterns with the final ingredient — defense.

"We proved that an offensive team can win, that you don't have to win by a 1-0 score," Gretzky said.

But the Oilers did win the series opener by that score, because they adapted somewhat in the Islanders' style without abandoning their offense.

In five games, they gave up 12 goals (during the regular season they allowed an average of four goals a game).

More impressive, they held Mike Bossy, a 50-goal scorer in each of his seven NHL seasons, to none. Bossy had just eight shots on net for the entire series and was held scoreless in Games 4 and 5.

"I'm glad we won it against the Islanders, and I'm glad we won it the way we did," said Coffey. "The Islanders have got a lot of future hall of famers on their club — Denis Potvin, Bryan Trottier, Bossy. We beat those guys."

The Islanders accepted their first playoff loss since 1979 with class. "The Oilers deserved it," Bossy said. "But it's not easy to sit here and

see all the sadness on the faces. We've had a lot of good times. I'm sure if we put our minds to it, we can come back and have good times again."

Said Captain Potvin, fighting back tears: "I'll know at age 19 that I'd be sitting here at 30 and talking about all the accomplishments I've had. I'd give a million dollars to come here and do what this team has done. . . . Losing isn't that bad, because we'll be back."

But perhaps not all of them will be back — at least in Islanders uniforms.

Seven players, including Smith and Potvin, are over 30, and General Manager Bill Torrey always looks to the future.

That was not lost on Smith, 33, last season's playoff MVP and 1984's losing goalie. "Of course the dynasty's over," he snapped. "We lost, didn't we?"

Game 5  
N.Y. Islanders 2 0 0 2-4  
Edmonton 5 2 0 0-1  
First Period — 1, Edmonton, Gretzky 12 (Kurri); 12:08, 2, Edmonton, Gretzky 19 (Kurri); 12:38, 3, Edmonton, Gretzky 26 (Kurri); 12:58, 4, Edmonton, Gretzky 33 (Kurri); 13:00, 5, Edmonton, Gretzky 40 (Kurri); 13:02, 6, Edmonton, Gretzky 47 (Kurri); 13:04, 7, Edmonton, Gretzky 54 (Kurri); 13:06, 8, Edmonton, Gretzky 61 (Kurri); 13:08, 9, Edmonton, Gretzky 68 (Kurri); 13:10, 10, Edmonton, Gretzky 75 (Kurri); 13:12, 11, Edmonton, Gretzky 82 (Kurri); 13:14, 12, Edmonton, Gretzky 89 (Kurri); 13:16, 13, Edmonton, Gretzky 96 (Kurri); 13:18, 14, Edmonton, Gretzky 103 (Kurri); 13:20, 15, Edmonton, Gretzky 110 (Kurri); 13:22, 16, Edmonton, Gretzky 117 (Kurri); 13:24, 17, Edmonton, Gretzky 124 (Kurri); 13:26, 18, Edmonton, Gretzky 131 (Kurri); 13:28, 19, Edmonton, Gretzky 138 (Kurri); 13:30, 20, Edmonton, Gretzky 145 (Kurri); 13:32, 21, Edmonton, Gretzky 152 (Kurri); 13:34, 22, Edmonton, Gretzky 159 (Kurri); 13:36, 23, Edmonton, Gretzky 166 (Kurri); 13:38, 24, Edmonton, Gretzky 173 (Kurri); 13:40, 25, Edmonton, Gretzky 180 (Kurri); 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## *The Ultimate Shorthand*

Although it is likely that the confusion comes from "talking through one's hat," which first surfaced about a century ago, both uses are now common, and it is mistaken to call either one incorrect.

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